ZICO HOLDINGS INC.

NAVIGATING CHALLENGES SEEKING NEW VALUE

ANNUAL REPORT **2023**

CONTENTS

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CORPORATE **PROFILE**

ZICO Holdings Inc. ("ZICO" and together with its subsidiaries and associated companies, the "Group") is an integrated provider of multidisciplinary professional services. ZICO was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 11 November 2014.

ZICO is widely regarded as the Trusted Advisors and Go-To Professional Services Provider of 'cradle-to-grave' business lifecycle solutions in the ASEAN region. Through its multidisciplinary services, regional capabilities and local insights, ZICO creates a unique brand offering that enables its clients to capitalise on opportunities across Southeast Asia.

TRUSTED ADVISORS

The Group's clients include governments and government- linked companies, law firms, private and public listed companies, multinational corporations and high-net-worth individuals. The Group offers its client collective expertise derived from its legal professionals and consultants, led by a management team of Executive Directors who have, in total, more than seven decades of experience in the professional services industry.

The Group has business operations in Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand and the Philippines. ZICO's key business segment is the provision of advisory and transactional services. The Group concluded its provision of management, support services and licensing services to ZICO Law network firms effective 1 December 2022.

Please refer to "Our Business Segments" for a detailed overview of the extensive range of advisory and transactional services offered by the Group.

AN INTEGRATED PROVIDER OF MULTIDISCIPLINARY SERVICES IN ASEAN

"We are innovative entrepreneurs riding on disruptions in legal services."

CROSS SELLING & INTEGRATED SERVICES

Framework to facilitate referrals and cross-selling of clients including public sector entities, government-linked companies, public-listed and private companies, MNCs, SMEs, law firms, and individuals.

MULTIDISCIPLINARY PRACTICE (MDP)

An integrated services provider housed under a regional brand synonymous with quality solutions. Resource sharing ensures efficient delivery of comprehensive services to clients.

TRUSTED ADVISORS

Trusted advisors across with regional expertise to serve clients across the ASEAN region.

FOCUS ON THE ASEAN REGION

Integrated collective of ASEAN-based professional services firms, offering advisory and transactional services, management, support services, and licensing services.

OUR BUSINESS SEGMENTS

ZICO HOLDINGS INC.

ADVISORY AND TRANSACTIONAL SERVICES

LEGAL SERVICES
- Offering of legal services in Myanmar, Thailand and Laos PDR through our subsidiary law firms

IP SERVICES
- Providing intellectual property services in Malaysia, Myanmar and Thailand

SHARIAH ADVISORY SERVICES
- Advising on Sukuk issuances, Islamic funds, as well as on other Islamic capital market products and instruments
- Approved Shariah advisor and provider of Shariah review and Shariah audit services

ASSET MANAGEMENT SERVICES
- Providing wealth planning, fund management and multi-asset management services in Singapore

TRUST SERVICES
- Carrying out trust company businesses in the Labuan International Banking and Financial Centre
- Providing trust services in Singapore

CORPORATE FINANCE SERVICES
- Providing corporate finance advisory services and activities as a Catalist full sponsor and accredited issue manager in Singapore
- Providing corporate finance advisory services in Malaysia

CORPORATE SERVICES
- Incorporation and corporate secretarial services in Malaysia, Singapore and Philippines

INSOURCING SERVICES
- Providing insourcing and consultancy services for legal, human capital and corporate communications

ADVISORY SERVICES
- Providing strategic advice on business and governmental issues in the ASEAN region

IMMIGRATION SERVICES
- Providing a broad range of immigration services to help with clients' employee mobility needs
- Developing clients' corporate immigration policies and programs

INVESTOR SERVICES
- Providing a comprehensive suite of share registrar services

INNOVATIVE **BUSINESS MODEL**

ZICO | law

PARTNERSHIP MODEL

- Focus on core competence of practising law
- Maintain professional independence and autonomy
- Compliant with regulatory rules on law forms

INTEGRATION AND CROSS-SELLING OF SERVICES

ZICO

CORPORATE STRUCTURE

- External capital to fund business expansion
- Incentivise performance and talent retention via share schemes
- Venture into new services
- Centralise management and support functions

MULTIDISCIPLINARY PRACTICES **ASEAN INTEGRATED SERVICES PLATFORM**

ZICO

ZICO Holdings Inc., an integrated provider of multidisciplinary professional services listed on Catalist of SGX-ST

- ZICO | advisory
- ZICO | asset management
- ZICO | B.A.C.S.
- ZICO | capital
- ZICO | corporate
- ZICO | insource
- ZICO | IP
- ZICO | shariah
- ZICO | trust

ZICO Law, a network of independent law firms in ASEAN

ZICO | law

- **Laos**
  ZICO Law (Laos) Sole Co., Ltd.
- **Myanmar**
  ZICO Law Myanmar Limited
- **Thailand**
  ZICO Law (Thailand) Limited

Shared Business Support Services — ZICO | iRBS

1 Finance	2 Information Technology	3 Corporate Communications	4 Human Resource	5 Knowledge Management & Training

Supported by	Focused teams	Specialised technology	Streamlined processes	Technical infrastructure

OUR SERVICES ACROSS THE ENTIRE BUSINESS LIFE CYCLE

OUR PRESENCE

TRUSTED ADVISORS ACROSS THE ASEAN REGION

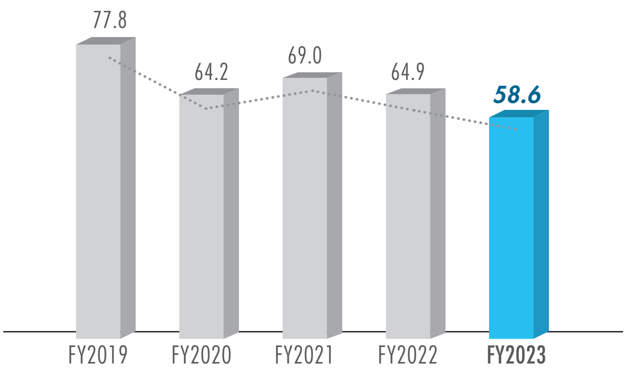
OUR MISSION

"BUILDING TRUSTING RELATIONSHIPS THROUGH INNOVATIVE SOLUTIONS"

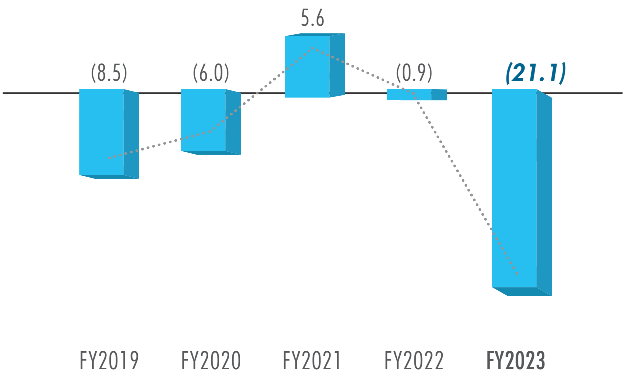
OUR MISSION

FINANCIAL HIGHLIGHTS

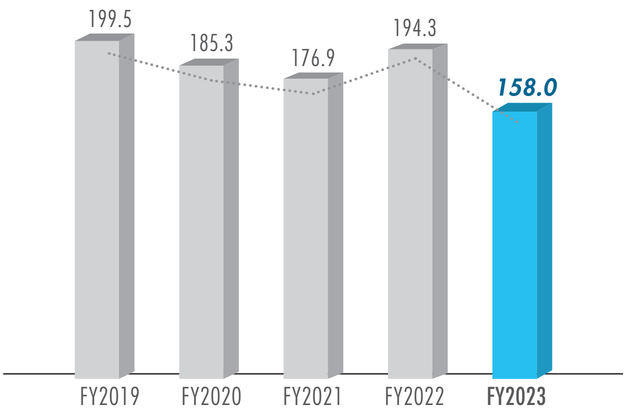
REVENUE (RM MILLIONS)



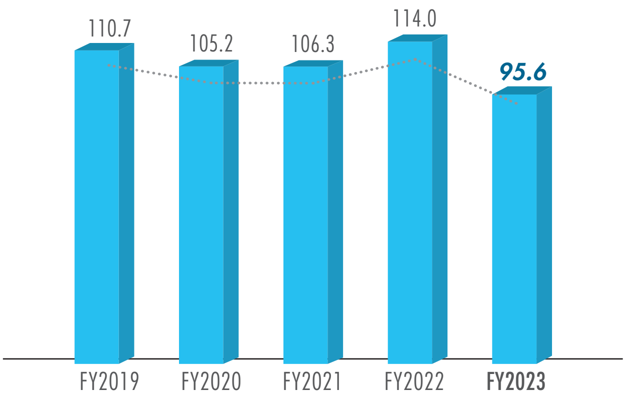
PROFIT/(LOSS) BEFORE INCOME TAX (RM MILLIONS)



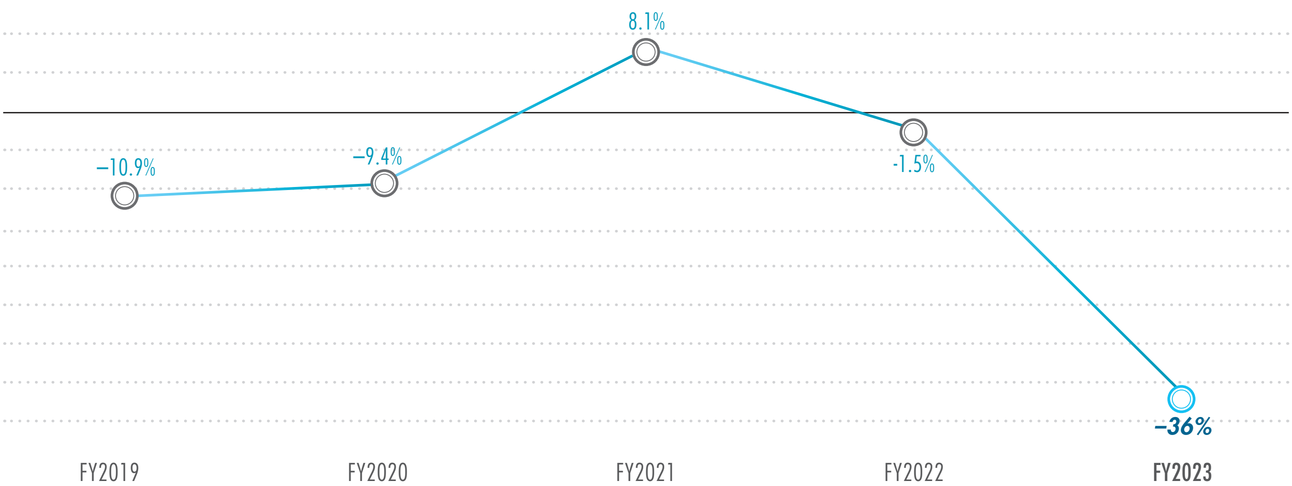
TOTAL ASSETS (RM MILLIONS)



TOTAL EQUITY (RM MILLIONS)



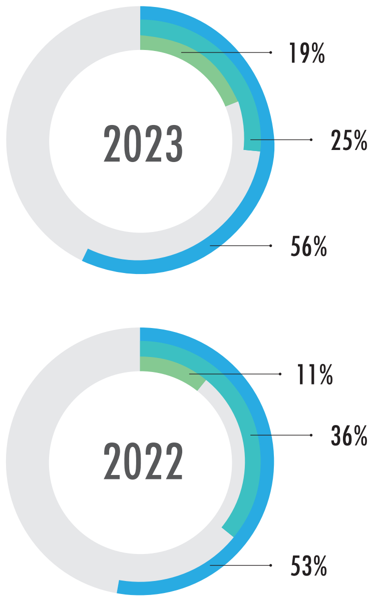
PROFIT/(LOSS) BEFORE INCOME TAX MARGIN (RM MILLIONS)



FINANCIAL HIGHLIGHTS

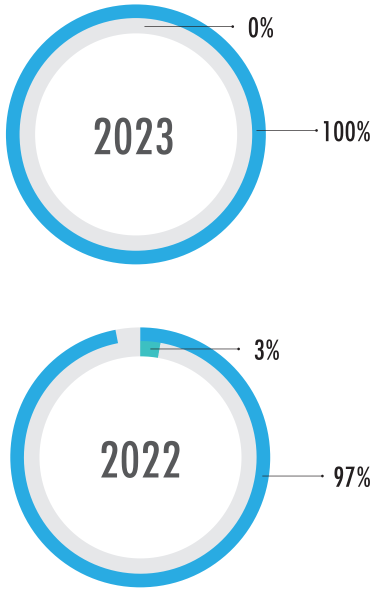
REVENUE BREAKDOWN

REVENUE BY GEOGRAPHICAL (%)



- Singapore
- Malaysia
- Other (Others comprise Indonesia, Hong Kong, Thailand, United Kingdom, United States of America, and United Arab Emirates.)

REVENUE BY SEGMENT (%)



- Advisory and Transactional Services Segment
- Management, Support Services and Licensing Services Segment

	FY2019	FY2020	FY2021	FY2022	FY2023
REVENUE AND PROFITABILITY					
Revenue (RM millions)	77.8	64.2	69.0	64.9	58.6
Profit/(Loss) before income tax (RM millions)	(8.5)	(6.0)	5.6	(0.9)	(21.1)
FINANCIAL POSITION					
Current ratio	1.2	0.9	1.1	1.4	1.1
Total assets (RM millions)	199.5	185.3	176.9	194.3	158.0
Total equity (RM millions)	110.7	105.2	106.3	114.0	95.6
KEY FINANCIAL RATIOS					
Return on assets	-3.9%	-3.2%	1.1%	0.3%	-15.6%
Return on equity	-7.1%	-5.6%	1.9%	0.5%	-25.0%
Debt to equity	0.6	0.6	0.5	0.4	0.5
REVENUE BY GEOGRAPHICAL					
Singapore			49%	53%	56%
Malaysia			23%	11%	19%
Others			28%	36%	25%
REVENUE BY SEGMENT					
Advisory & Transactional Services			89%	97%	100%
Management, Support Services & Licensing Services			11%	3%	0%
PROFIT/(LOSS) BEFORE INCOME TAX MARGIN	-10.9%	-9.4%	8.1%	-1.5%	-36.0%

CHAIRMAN'S **MESSAGE**

We took decisive steps to build a stronger foundation and sharpened our vision to focus on the capital market and wealth management sector to achieve corporate recovery and drive future growth.

MR JOHN LIM YEW KONG
Independent Chairman

DEAR VALUED SHAREHOLDERS,

I am pleased to present to you ZICO's Annual Report for the financial year ended 31 December 2023 ("FY2023"). While I have been on the Board of Directors since August 2014, I was re-designated from an Independent Director to the Independent Chairman on 28 April 2023 following the retirement of Dato' Thambynathan Jasudasen.

The period under review coincided with profound challenges in our operating environment. It was also a year during which we took decisive steps to build a stronger foundation and sharpened our vision to focus on the wealth management sector to achieve corporate recovery and drive future growth.

The global economy emerged from the ravages of the pandemic to a combination of higher-for-longer interest rates, persistent supply chain disruptions and geopolitical tensions, such as the prolonged Russia-Ukraine conflict as well as the unrest in Gaza.

As outlined in our FY2022 Annual Report, we had already begun pivoting our business direction to focus on opportunities in the wealth management sector while substantially reducing our activities in the Management and Support Services Business & Licensing Services ("MSSL") segment.

Subsequent to the cessation of third-party MSSL revenue since 1 December 2022, some key corporate actions had to be executed, specifically:

i) The disposal of an investment in the Philippines carrying out immigration-related services on 21 March 2024; and

ii) The substantial downsizing of our Myanmar business amid ongoing political instability and security issues which have posed operational challenges and business risks for the Group.

Both corporate actions attributed non cash negative impacts on the profitability of the Group in FY2023.

CHAIRMAN'S MESSAGE

"Even as our strategic transformation gathers pace, our Board of Directors is undergoing a renewal... We look forward to their combined experience and expertise which are highly relevant to our renewed focus."

FY2023 PERFORMANCE REVIEW

For FY2023, we recorded revenue of RM58.6 million, a decline of 9.7% compared to RM64.9 million in FY2022. This decline was mainly due to lower contributions from the Advisory and Transactional Services ("ATS") segment, as Singapore and Malaysia recorded slower corporate finance and consultancy activities due to softer market conditions amid economic uncertainty and elevated interest rates. The MSSL segment did not contribute revenue in FY2023 as ZICO Trademark Pte Ltd had already ceased charging royalty fees to third parties.

The ATS segment felt the impact of softer capital market activities, as potential clients and investors turned cautious about significant commercial transactions and investments. Reflecting this, the financial media has discussed the slow pace of Initial Public Offerings ("IPOs") in Singapore[1].

However, there are silver linings within this segment which augur well for our strategic pivot to the wealth management sector. The Corporate Services and Asset Management businesses recorded revenue increases of 18% and 22%, respectively, to RM10.7 million and RM9.2 million, respectively, from RM9.1 million and RM7.6 million, respectively, in FY2022.

The Group recorded a bad debt written off on trade and other receivables of RM8.8 million in FY2023 (FY2022: nil), relating mainly to the investment in the Philippines which we are disposing (as described above).

For FY2023, ZICO recorded a loss before income tax of RM21.1 million (FY2023: loss of RM0.9 million). The net loss for FY2023 was RM24.6 million (FY2022: RM0.6 million net profit).

Cash and cash equivalents as at 31 December 2023 stood at RM16.5 million compared to RM16.9 million a year ago.

OUTLOOK AND FORWARD STRATEGIES

The corporate actions, including provisions and impairments, taken to exit or significantly downsize businesses in the Philippines and Myanmar have set the stage for our transformation. As we enter the tenth year since our IPO on the Singapore Exchange ("SGX"), we are embarking on the next decade with a clear focus on the activities of our ATS segment.

Despite the slowdown of business activity in FY2023, we nonetheless remain confident about the growth prospects of the wealth management sector. Our status as an SGX-listed company with networks and domain expertise in ASEAN provides a foundation for our pivot.

The asset management segments in the region hold tremendous potential. With a relatively young population of over 670 million people and healthy economic growth rates, ASEAN is poised to be the world's fourth-largest economy by 2030. Such growth will require substantial corporate and wealth management services.

Allow me to elaborate on some of the key developments already in place to accelerate our expansion of ATS-related businesses.

- On 14 July 2023, we acquired the remaining 25% stake in ZICO Asset Management Pte. Ltd. ("ZAM"). Now a wholly-owned subsidiary, ZAM is licensed by the Monetary Authority of Singapore ("MAS") to manage and advise on private and financial assets for high-net worth individuals, businessmen, entrepreneurs and family office clients;
- Our indirect subsidiary, ZICO Capital Sdn. Bhd., is now licensed to act as an Approved Independent Adviser in Malaysia as of 1 June 2023. It is now able to offer services for takeovers, mergers and other capital market activities within the Malaysia bourse. This complements the Capital Markets Services license granted to our Singapore subsidiary, ZICO Capital Pte. Ltd., by MAS in October 2022, generating synergy and further sharpening our competitive edge; and
- Meanwhile, our corporate services customer base has gained significant momentum and is expected to grow by at least 30% in FY2024. We also intend to expand our geographical footprint beyond Singapore, Malaysia, Thailand and the Philippines, while deepening penetration in existing markets.

[1] https://www.businesstimes.com.sg/international/global/singapore-face-tough-fight-ipos-us-hk-and-london-markets-recover

CHAIRMAN'S MESSAGE

In the near to medium term, we will build upon these corporate actions to explore collaboration, partnerships and mergers and acquisitions. This will enlarge our value proposition beyond these core services to include adjacent opportunities so as to enhance shareholder value.

NEW BOARD APPOINTMENTS

Even as our strategic transformation gathers pace, our Board of Directors is undergoing a renewal in line with good corporate governance.

On 12 May 2023, we announced several changes to the Board composition. As part of succession and corporate planning, Mr Chew Seng Kok, the founder and single-largest shareholder, was redesignated as Executive Director from Managing Director. He continues to lead the Group's corporate strategy, planning and business development. Datuk Kelvin Ng Hock Heng, who has been an Executive Director since 2014, was re-designated as Group Chief Executive Officer to oversee the overall business of the Group. Mr Yap Tien Wei was appointed Independent Director.

On 8 April 2024, we announced the appointment of three new directors. Please join me in welcoming:

- Mr Mohamed Nasser Ismail, who has been appointed Independent Director. Formerly the global head of equity capital markets of SGX, Mr Nasser brings with him a strong track record as a regulator and deep understanding of capital markets.
- Dr. Veerinderjeet Singh, who has been appointed Independent Director. A noted authority on Malaysian taxation with over 40 years' experience, he currently serves as Senior Advisor for KPMG Malaysia, and was Executive Chairman/CEO of SGX Catalist-listed Axcelasia Group.
- Ms Shweta Nandy, who has been appointed Non-independent Non-Executive Director. An Advocate and Solicitor of the High Court of Malaya, Ms Shweta holds a Master's degree in Islamic Finance and brings with her valuable experience in alternative finance, private equity and wealth management.

We look forward to their combined experience and expertise.

We also announced on 8 April 2024 that at the forthcoming AGM on 27 April 2024, Mr Chew Liong Kim (Non-Independent Non-Executive Director), Mr Yap Tien Wei (Independent Director) and I will not seek re-appointment for the reasons set out in the announcement of 8 April 2024. The remaining directors will be up for re-election, following which the Board and the respective committees will be reconstituted.

On behalf of the Board, I would like to express my deep appreciation to the outgoing directors for their contributions and counsel.

Finally, I would like to thank our staff for their unwavering dedication throughout the year, as well as our customers, partners and shareholders for their support. We look forward to loyalty and support from shareholders as we navigate a new chapter in the transformation of ZICO as a value-added player in wealth management services.

MR JOHN LIM YEW KONG
Independent Chairman

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

DATUK NG HOCK HENG
Group CEO, Executive Director

DEAR VALUED SHAREHOLDERS,

I am pleased to present my inaugural report following my redesignation as the Group Chief Executive Officer on 12 May 2023. This new role comes amid one of the most significant periods of the Company since its public listing nearly a decade ago.

The financial year ended 31 December 2023 ("FY2023") has been a pivotal year marked by formidable challenges and profound transformation. The post-pandemic business environment has been altered considerably by a host of global economic and geopolitical factors as well as a significant slowdown in the corporate finance and consultancy sectors in the region we serve.

Our financial performance must therefore be seen against the backdrop of these challenges as well as the strategic decision to lay a stronger foundation for corporate recovery. I draw shareholders to several significant items in this regard for the year under review.

First, as shareholders will recall, we outlined last year the reduction of activities of the Management and Support Services Business & Licensing Services ("MSSL") segment. We took the strategic decision to cease services to the ZICOlaw network firms since December 2022, which in turn reduced our topline for FY2023 by RM2.2 million.

Second, on 21 March 2024, we disposed of our immigration-related services within ZICO Corporate Services Philippines Inc., while maintaining its corporate services business, so as to better align with our strategic objectives. In addition, we substantially downsized our business operation in Myanmar, as the political instability there has made it untenable for us to continue operations.

In terminating our exposure to these legacy loss-making businesses, we recorded non-cash negative impact of RM9.3 million. These contributed significantly to our net loss in FY2023. These decisions were needed to minimise future losses while freeing up resources for our pivot towards wealth management under our Advisory & Transactional Services ("ATS") segment.

Third, and in line with this transformation, we acquired the remaining 25% stake in ZICO Asset Management Pte Ltd ("ZAM") on 14 July 2023. With ZAM as a wholly-owned subsidiary, we are better positioned to capture strategic opportunities in the wealth management business, particularly in Singapore.

With the preamble and strategic overview, let us now review the financial performance in greater detail.

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE

FY2023 PERFORMANCE REVIEW

Revenue declined 9.7% to RM58.6 million in FY2023 from RM64.9 million a year ago. This was attributable to the absence of revenue from the MSSL segment under ZICO Trademark Pte Ltd.

Despite the potential in capital markets and wealth management activities, we recorded lower revenue contribution from the ATS segment. This decline was due to softer demand for such services amid disruptions in the post-pandemic operating environment. In particular, there was slower demand for corporate finance and consultancy activities in Singapore and Malaysia, due to softer market conditions amid economic uncertainty and elevated interest rates. The slowdown in public listings in Singapore has been documented in the financial media. On the positive side, the lower contributions outlined earlier were partially offset by higher turnover from our Corporate Services and Asset Management businesses, which are part of the ATS segment.

For FY2023, ZICO recorded loss before income tax of RM21.1 million (FY2022: RM0.9 million loss), and a net loss of RM24.6 million compared to a net profit of RM0.6 million in FY2022. Excluding the aforementioned non-cash negative impact of RM9.3 million, net loss in FY2023 would have been RM15.3 million.

THE ROAD AHEAD

We have cleared the deck for a fresh start; having laid the groundwork for a stronger ZICO, we are ready to sail towards more prosperous seas. We have mitigated risks and can now allocate resources more decisively and effectively to enhance our focus and seek growth opportunities in the ATS segment.

Looking ahead, we continue to see bright spots in the asset management business in Singapore, as well as the trust and fiduciary services, and corporate and investor services in ASEAN.

Indeed, we have fortified our asset management and corporate services division through the acquisition of ZAM. At the same time, we are growing the number of clients for our corporate services as well as our geographical footprint within ASEAN for our subsidiaries. As business momentum accelerates, we expect to see a positive impact on our financial performance in the coming year.

Subsequent to our financial year, our Islamic law partners, Dr Aida Othman and Ms Lily Adelina Hashim have decided to rejoin our ZICO Shariah, Shariah advisory service business; their billable hours revenue will be recorded from FY2024. Already, they have secured a project with Fusang Exchange to act as the Shariah adviser for the insurance of the world's first institutional digital sukuk.

Barring further significant impairments, I am confident our FY2024 financial performance will improve compared to FY2023. We have overcome various challenges and emerged stronger, and will continue to implement our transformation strategies.

IN APPRECIATION

As outlined by our Chairman, we have announced significant changes to our Board of Directors.

Our Independent Chairman Mr John Lim Yew Kong, Non-Executive, Non-Independent Director Mr Chew Liong Kim, and Independent Director Mr Yap Tien Wei will not be seeking reappointment at the upcoming FY2023 AGM. I would like to thank them for their guidance throughout their time. Concurrently, I would like to warmly welcome aboard our new directors, Mr Mohamed Nasser Ismail, Dr. Veerinderjeet Singh and Ms Shweta Nandy.

I would also like to thank Mr Paul Subramaniam, who has retired after over nine years as Chief Risk Officer and Head of Knowledge Management and Training, for his service and contributions to ZICO.

Last but not least, a heartfelt thank you goes out to all our clients, partners, Board, staff and shareholders for your contributions and faith in our long-term vision. We remain committed to continue growing and adding long-term value.

DATUK NG HOCK HENG
Group CEO

BOARD OF **DIRECTORS**

MR. JOHN LIM YEW KONG*

Independent Chairman

Mr John Lim Yew Kong, our Independent Chairman, was appointed to the Board on 7 August 2014 and was last re-elected on 28 April 2023.

Mr Lim serves as Lead Independent Director of SGX Mainboard-listed Global Invacom Group Limited, and is the Chairman of its Audit and Risk Committee and a member of its Nominating and Remuneration Committees.

Mr Lim also held the role of Independent Non-Executive director of SGX Mainboard-listed Karin Technology Holdings Limited from January 2005 to February 2024. Additionally, Mr Lim was also a director of Axia Equity Pte. Ltd., a business advisory company from February 2006 to January 2012 and was the managing director of Enterprise Asean Fund Pte. Ltd. from April 2005 to August 2006. From September 1999 to March 2005, he was also the associate director of ASC Equity Pte. Ltd. and the executive director of ASC Capital Pte. Ltd. Mr Lim spent four years with Arthur Andersen & Co., London before joining Dowell Schlumberger in the United Kingdom, from 1988 to 1991 as an internal auditor before assuming the position of United Kingdom controller, Aberdeen.

Mr Lim graduated with a Bachelor of Science in Economics from the London School of Economics and Political Science in 1984 and is also a Chartered Accountant from the Institute of Chartered Accountants in England and Wales.

DATUK NG HOCK HENG

Group Chief Executive Officer

Datuk Ng Hock Heng, our Group Chief Executive Officer, was appointed to the Board on 9 December 2010 and was last re-elected on 30 April 2021.

Following his appointment as Group Chief Executive Officer on 12 May 2023, he assumes primary responsibility for the overall strategic direction and management of the Group's business plans. In this capacity, he diligently oversees the Advisory and Transaction Services segment, ensuring alignment with organizational goals and objectives. Additionally, he spearheads the development and management of innovative new services, further enhancing the Group's value proposition and market positioning. This steadfast leadership underscores our commitment to driving sustainable growth and delivering exceptional value to our stakeholders.

Datuk Ng started his career in KPMG (Australia) as a tax consultant before joining Deloitte Touche Tohmatsu (Australia & Hong Kong) as a senior tax consultant in 1993. In 1995, Datuk Ng joined Zaid Ibrahim & Co. and became a partner in 1999. Datuk Ng is an Independent Non-Executive Director of Ecofirst Consolidated Bhd., which is listed on the Main Board of Bursa Malaysia. He is also a Non-Executive director of Posco-Malaysia Sdn. Bhd. On 5 November 2017, he was conferred the honorific title "Datuk" by the TYT Yang di-Pertua Negeri of Malacca, Malaysia.

Datuk Ng graduated with a Bachelor of Economics (double major in Banking & Accountancy) in 1990, a Bachelor of Laws and a Masters of Laws (Distinctions) from Monash University in 1992 and 1995, respectively. He was a Notary Public, Registered Tax Agent and an associate of Certified Practising Accountants, Australia. Datuk Ng was an Advocate and Solicitor of the High Court of Malaya and was a Registered Foreign Lawyer of the Law Society of New South Wales, Australia.

* Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap will be retiring at the upcoming Annual General Meeting on 27 April 2024 and will not be seeking re-election.

BOARD OF **DIRECTORS**

MR. CHEW SENG KOK

Executive Director

Mr Chew Seng Kok, our Executive Director, was appointed to the Board on 9 December 2010 and was last re-elected on 29 April 2022.

Following his redesignation as the Executive Director on 12 May 2023, he assumes the role of overseeing and driving the Advisory & Transactional Services business of the Group. He is responsible for originating, coordinating and executing the delivery of integrated services to clients through a multi-disciplinary platform of the group.

Mr Chew graduated with a LLB (Honours) in 1984 and a LLM (First Class Honours) from Victoria University of Wellington, New Zealand in 1989. He previously practised as a lawyer in Malaysia in 1985 before moving to work with Chapman Tripp in Wellington, New Zealand, and Baker & McKenzie, Singapore. In 1991, he joined Zaid Ibrahim & Co. where he rose up the ranks to become its managing partner in 2004. He founded ZICOLaw, a network of independent law firms in ASEAN region in 2003 and assumed the role of regional managing partner of the ZICO Law network in 2011. In November 2014, Mr Chew left practice to take up a full-time role as the Managing Director of ZICO Holdings Inc, a position which he held until 12 May 2023 before he was redesignated as Executive Director of Zico Holdings Inc.

Mr Chew is acknowledged as a leading transactions and projects lawyer in advising the public and private sectors in Malaysia and in the ASEAN region on the development and financing of large infrastructure projects, law reforms and complex M&A transactions. He has an extensive network of contacts in Malaysia, the ASEAN region and overseas.

Mr Chew is very active in supporting the public and private sectors in promoting trade and investments in the ASEAN region.

CHEW LIONG KIM*

Non-Independent Non-Executive Director

Mr Chew Liong Kim, our Non-Independent Non-Executive Director, was appointed to the Board on 7 August 2014 and was last re-elected on 29 April 2022.

He is currently the Executive Chairman of CLK Advisors, Malaysia, which provides business advisory and business analytics services in the ASEAN region. He is also currently the senior advisor at Roland Berger Strategy Consultants, Southeast Asia.

Mr Chew has been appointed to the board of directors of Amanat Lebuhraya Rakyat Berhad ("ALR") on 3 February 2023. ALR is a private company established in late 2021 to raise RM5.5 billion Islamic Sustainable Sukuk with the sole purpose of undertaking the business of a holding company of four highway concessions in greater Klang Valley, Malaysia. He is Chairman of Board Audit and Risk Committee and member of Board Investment Committee.

Mr Chew is the senior independent director of MISC Berhad, Bursa Malaysia-listed world-leading provider of energy-related maritime shipping solutions and services. He joined the board of directors from 1 September 2021. He is also the chairman of Board Audit Committee and member of Board Risk and Sustainability Committee.

Mr Chew was a commission member of the Malaysian Communications and Multimedia Commission ("MCMC") from 7 July 2020 to 31 December 2021 and chaired its Audit & Risk Committee and Whistleblowing Committee. He was also a commission member of MCMC between 2013 to 2015 and chaired its Audit Committee.

Mr Chew was the managing director of Maybank Investment Bank Bhd's strategic advisory division and the managing director of Bina Fikir Sdn. Bhd. from November 2008 to October 2010. He was also the executive chairman of HRM Business Consulting Sdn. Bhd., and served as Executive Director and Chief Executive Officer of Bursa Malaysia-listed Dataprep Holdings Berhad from 2003 to 2008. Mr Chew was the former worldwide partner of Arthur Andersen ("AA") from 1990 to 2002 and served as area managing partner of AA's business consulting Asia Pacific from 1992 to 1998 and member of Andersen Worldwide Board Nominating Committee from 1997 to 1998.

Mr Chew graduated with a Bachelor of Commerce major in accountancy from the University of Auckland in 1980. He is a Fellow of the Chartered Accountants of Australia and New Zealand. Mr Chew is also a Public Accountant of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Chartered Secretaries and Administrators.

* Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap will be retiring at the upcoming Annual General Meeting on 27 April 2024 and will not be seeking re-election.

BOARD OF **DIRECTORS**

MR. YAP TIEN WEI*

Independent Director

Mr. Yap Tien Wei, our Independent Director, was appointed to the Board on 12 May 2023.

Mr. Yap, having served in a number of leadership capacities over the past 18 years in the wealth management and asset management industry, brings a wealth of expertise to this role. Mr. Yap is currently the Chief Executive Officer of Northwaters Capital Pte. Ltd., a Capital Market Services licensee, where he is in charge of growing the company. Throughout his working experience predominantly in the wealth management and asset management industry, Mr. Yap has accumulated invaluable experience which includes but not limited to overseeing all verticals of the business in wealth management, fund management, family office solutions, compliance as well as other day-to-day operational matters.

Mr. Yap was previously the Assistant Vice President in OCBC Bank from January 2011 to December 2012, Vice President of Bank Sarasin & CIE AG from January 2013 to May 2013, Director of Standard Chartered Private Bank from May 2013 to October 2016, Director of United Overseas Bank from October 2016 to February 2018. From February 2018, he assumes the role of the Chief Executive Officer of Northwaters Capital Pte. Ltd. (a Capital Market Services Licensee of Monetary Authority of Singapore).

Mr. Yap Tien Wei graduated with a Bachelor of Commerce from the University of Western Australia.

MR. MOHAMED NASSER BIN ISMAIL^

Independent Director

Mr. Mohamed Nasser Bin Ismail, our Independent Director, was appointed to the Board on 8 April 2024.

Mr Nasser has had 18 years' experience with the Singapore Exchange ("SGX"), first joining as Head of Enforcement in 2005 and holding various regulatory roles before assuming his role as Global Head of Equity Capital Markets from October 2014 to October 2023.

Responsible for promoting the bourse as a global listing and fundraising venue, Mr Nasser spearheaded the development of various equity capital market initiatives to facilitate greater fundraising services as well as deepen Singapore's capital markets ecosystem.

He joined the Board of Catalist-listed Sim Leisure Group Limited in March 2024. Mr. Nasser serves as the Deputy CEO of HydraX Pte Ltd since November 2023 and has been appointed as the director in February 2024. Mr. Nasser has also been recently appointed as a director with a Singapore-based Fintech company, namely SURFIN Meta Technologies Pte Ltd since 1 November 2023. Mr Nasser's other appointments include being the Chairman of the DBS Digital Exchange Conflicts and Appeals Committee and a Senior Advisor at Singapore-based law firm WongPartnership.

He is also a Member of the Singapore Islamic Religious Council Appeal Board and the Treasurer of Madrasah Alsagoff Al-Arabiah School Board.

Mr Nasser graduated with a Bachelor of Laws from the National University of Singapore. Prior to joining SGX in 2005, Mr Nasser was State Counsel with the Attorney General's Chambers.

* Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap will be retiring at the upcoming Annual General Meeting on 27 April 2024 and will not be seeking re-election.

^ Mr. Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh and Ms. Shweta Nandy are the newly appointed directors on 8 April 2024.

BOARD OF DIRECTORS

DR. VEERINDERJEET SINGH A/L TEJWANT SINGH^

Independent Director

Dr. Veerinderjeet Singh, our Independent Director, was appointed to the Board on 8 April 2024.

With over 40 years of experience in tax matters, Dr Veerinderjeet is a noted authority on Malaysian taxation, with wide experience across the public sector, academia, private practice and the corporate sector on various tax matters including incentives, restructuring and listing exercises and has also been involved in providing input to the Malaysian Ministry of Finance on various tax reforms and initiatives.

Dr Veerinderjeet currently serves as Senior Adviser on Tax Policy for KPMG Malaysia. Prior to this, he has served on the boards of several Malaysian entities including a listed entity. He was the Non-Executive Chairman of Tricor Services Sdn Bhd from May 2020 until February 2024 and was an Independent Non-Executive Director as well as Senior Independent Director of UMW Holdings Berhad from June 2017 till February 2024.

Currently, he is an Independent Non-Executive Director of AmBank (M) Bhd, as well as Malaysian Rating Corporation Berhad where he is also Chairman of the Audit Committees in both entities. He was also Executive Chairman/CEO of Catalist-listed Axcelasia Inc. (now known as Axington Inc.) and later Non-Executive Chairman until 14 July 2020. Dr Veerinderjeet also co-founded Taxand Malaysia Sdn Bhd in 2006 and served as Executive Chairman from January 2012 to December 2017 and Non-Executive Chairman from January 2018 to January 2024.

On the international front, he is a member of the Paris-based Global Tax Commission of the International Chamber of Commerce (ICC). He was a long-serving member of the Board of Trustees of the International Bureau of Fiscal Documentation (a tax research and consultancy body) based in Amsterdam until December 2024.

An accomplished author and tax observer, he has published books and numerous articles in local and international tax, law and accounting journals. He has spoken at various local and international events on tax policy, tax reforms and corporate governance, and is featured in media programmes on tax as well as corporate governance topics.

He is a qualified accountant and is a member of the Malaysian Institute of Certified Public Accountants as well as the Malaysian Institute of Accountants, of which he was also a Past President. He is also a member and Past President of the Chartered Tax Institute of Malaysia.

He is also a member of the Institute of Corporate Directors of Malaysia, the Malaysian Institute of Corporate Governance and the Singapore Institute of Directors.

Dr. Veerinderjeet graduated with a Bachelor of Accounting (First Class Hons) from University of Malaya and he received his doctorate from University Putra Malaysia.

^ Mr. Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh and Ms. Shweta Nandy are the newly appointed directors on 8 April 2024.

BOARD OF **DIRECTORS**

MS. SHWETA NANDY^

Non-Independent Non-Executive Director

Ms. Shweta Nandy, our Non-Independent Non-Executive Director, was appointed to the Board on 8 April 2024.

Ms Shweta graduated from the University of Liverpool with a Bachelor of Laws, and was subsequently called to the Bar of England & Wales, and admitted as an Advocate & Solicitor of the High Court of Malaya. Ms Shweta is also a graduate of the International Centre for Education in Islamic Finance (INCEIF), with a Master of Science in Islamic Finance.

Ms Shweta began her professional career with Limra Capital Berhad, a pioneer non-bank provider of Shari'ah-compliant financing solutions in Malaysia. Soon after, she served as Managing Partner of a Malaysian legal firm, namely Messrs George Varughese, founded by the honourable ex-Judicial Commissioner, Ybhg. Dato' George Varughese, where she headed the corporate and commercial practice until 2023. Stepping down from the firm's management, Ms Shweta continues to be in practice, whilst serving as a legal advisor to ZICO Trust (M) Berhad, and a Director of Manor Capital Sdn Bhd, a private consultancy and investment-holding firm.

With her continuing leadership experience and professional involvement in the fields of alternative finance, private equity and wealth management, Ms. Shweta offers to our administration her diverse knowledge and intuition, to strengthen our commitment to robust, responsible and sustainable transactional designs and governance strategies.

^ Mr. Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh and Ms. Shweta Nandy are the newly appointed director on 8 April 2024.

KEY **MANAGEMENT**

MS. ADELINE CHEAH LI MENG

Chief Financial Officer

Ms. Adeline Cheah is our Chief Financial Officer and is responsible for all finance-related functions of the Group. She joined the Group on 1 January 2014.

Ms. Cheah started her career in KPMG Peat Marwick as an auditor in 1992 and joined Pengkalen Holdings Bhd in 1996 as a treasury accountant. In 1997, Ms Cheah joined Asteria Group as its group financial controller, and in 2006, she joined SEG International Bhd as its financial controller. She subsequently joined Zaid Ibrahim & Co. in 2008 as the financial controller and was designated as the chief financial officer in 2009 before joining ZICO Consultancy Sdn. Bhd. in January 2014 as the Group's Chief Financial Officer.

Ms. Cheah graduated with a Bachelor of Business from the Curtin University of Technology, Perth, Western Australia in 1992 and is also a Certified Practising Accountant of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

MR. PAUL SUBRAMANIAM

Chief Risk Officer (retired on 29 February 2024)

Mr Paul Subramaniam, our Chief Risk Officer, is responsible for the overall risk management and mitigation measures for the Group. He also assists the Regional Director of Knowledge Management and the Regional Director of Training in designing and implementing knowledge management and training initiatives for the Group and the clients of the Group, including the ZICOLaw network. He joined Zaid Ibrahim & Co. in 1998 as the head of litigation and was the knowledge management and training partner of Zaid Ibrahim & Co. from 2008 until assuming the post of Chief Risk Officer of the Group.

Mr Subramaniam graduated with a Bachelor of Science in Applied Mathematics and a Bachelor of Laws from Monash University, Australia in 1983 and 1985 respectively. He has been a member of the Malaysian Bar since 1986 and is the author of a number of legal reference books and articles.

CORPORATE INFORMATION

BOARD OF DIRECTORS#

John Lim Yew Kong*
(Independent Chairman)

Datuk Ng Hock Heng
(Group Chief Executive Officer)

Chew Seng Kok
(Executive Director)

Chew Liong Kim*
(Non-Executive Non-Independent Director)

Yap Tien Wei*
(Independent Director)

Mohamed Nasser Bin^ Ismail
(Independent Director)

Dr. Veerinderjeet Singh^
(Independent Director)

Shweta Nandy^
(Non-Executive Non-Independent Director)

AUDIT AND RISK• COMMITTEE

John Lim Yew Kong *(Chairman)*
Chew Liong Kim
Yap Tien Wei

NOMINATING COMMITTEE•

Yap Tien Wei *(Chairman)*
John Lim Yew Kong
Chew Liong Kim

REMUNERATION• COMMITTEE

John Lim Yew Kong *(Chairman)*
Yap Tien Wei
Chew Liong Kim

COMPANY SECRETARY

ZICO Secretarial Limited

REGISTERED OFFICE

Unit Level 13(A),
Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000 Federal Territory of Labuan,
Malaysia
Tel: (6087) 451688/452688
Fax: (6087) 453688

SINGAPORE SHARE REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

SPONSOR

Stamford Corporate Services Pte. Ltd.
10 Collyer Quay,
#27-00 Ocean Financial Centre
Singapore 049315

AUDITOR

PKF-CAP LLP

Partner-in-charge:
Lee Eng Kian
(a member of the Institute of Singapore Chartered Accountants)
(Date of appointment: 6 October 2022)

PRINCIPAL BANKER

Malayan Banking Berhad
2 Battery Road
#16-01 Maybank Tower
Singapore 049907

RHB Bank Berhad
90 Cecil Street
#12-00 RHB Bank Building
Singapore 069531

* Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap will be retiring at the upcoming Annual General Meeting on 27 April 2024 and will not be seeking re-election.
\# Dato' T. Jasudasen retired at the conclusion of the AGM held on 28 April 2023.
• The Company will make further announcements regarding the nomination of Independent Chairman and the composition of Board Committees in due course in accordance with the relevant Catalist Rules.
^ Mr. Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh and Ms. Shweta Nandy are the newly appointed directors on 8 April 2024.

SUSTAINABILITY REPORT

CONTENTS

This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the ***Sponsor****). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the* ***SGX-ST****) and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

The contact person for the Sponsor is Ms Vanessa Ng.

Tel: 6389 3065, Email: vanessa.ng@morganlewis.com

SUSTAINABILITY **REPORT**

ABOUT ZICO

ZICO is a multidisciplinary professional ("**MDP**") services provider listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX**" or "**SGX-ST**") and is incorporated under the laws of the Federal Territory of Labuan, Malaysia. The Group has operations in Malaysia, Singapore, Thailand, Lao PDR, Myanmar, Indonesia and the Philippines. Its main geographical focus is on Southeast Asia i.e. the Association of Southeast Asian Nations ("**ASEAN**") bloc of countries, with its largest offices being in Singapore and Kuala Lumpur, Malaysia.

ZICO's principal activities are (i) advisory and transactional services; and (ii) management, support services and licensing services. For details on ZICO's operations, please refer to the chapter entitled "Our Business Segments" on page 2 of this Report.

The Group's current client base includes public sector entities, government-linked companies, global multinational corporations, multi-ASEAN companies, publicly listed companies, private companies, small and medium enterprises, family offices, and high-net-worth individuals.

ZICO aims to establish itself as the primary choice for professional services, rooted in and dedicated to the ASEAN region. Its range of services is designed to cater to the various stages of clients' business lifecycles, guided by the six pillars of the C.L.I.E.N.T. corporate values framework.

ZICO

*To be the **Go-To Professional Services Advisor** in the ASEAN region*

ENTERPRISING

We are entrepreneurs at heart. We are passionate and determined to bring value to our stakeholders.

CONNECT

We connect the dots. We build long-term relationships with our stakeholders. We are client-centric and provide pragmatic holistic solutions.

NIMBLE

We are built to be nimble and agile. We embrace changes and respond to market demands swiftly and effectively.

LEAD

We aim to be leaders and the best-in-class across the range of services that we provide and in the geographical regions where we operate.

TRUST

We strive to be the trusted advisors of our clients. We continuously act in a manner that builds trust with our stakeholders.

INNOVATE

We believe in innovation. We continuously push boundaries and look for white spaces and blue oceans.

BOARD STATEMENT

ZICO remains dedicated to upholding responsible corporate conduct in its day-to-day business operations across all facets of its activities. The Board integrates sustainability considerations into its strategic planning, using sustainability reporting as a tool for enterprise risk management. The Board, in conjunction with senior management representatives, examines sustainability within the context of the Group's business, identifying and addressing material environmental, social, and governance ("**ESG**") factors outlined in this Report. Oversight and monitoring of these material ESG factors fall under the purview of the Board, which holds ultimate responsibility for managing sustainability issues and reporting. The ESG Committee, reporting to the Board 2-3 times a year through the Chief Risk Officer[1], continuously monitors the ESG factors, and its membership is detailed below.

For FY2023, pursuant to the phased approach introduced by the SGX for mandatory climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), climate reporting is mandatory for the Company as the Company is within the financial industry. The Company has therefore taken active steps to incorporate the TCFD recommendations within this sustainability report ("**SR2023**").

No primary components of a typical sustainability report, as set out in Rule 711B and paragraph 4.1 of Practice Note 7F Sustainability Reporting Guide of the SGX-ST Listing Manual Section B: Rules of Catalist, were excluded in this SR2023.

GOVERNANCE ON ESG MATTERS (INCLUDING CLIMATE RELATED MATTERS)

In line with the Company's commitment to ensure a more structured reporting and governance process for sustainability matters, the Company has established an ESG Committee. The terms of reference of the ESG Committee were finalised in 2023 and includes (among others) the following:

1. Reviewing the Group's sustainability strategy, to ensure that they are relevant to evolving local and global sustainability trends and developments.

2. Overseeing climate-related matters and compliance with applicable climate-related reporting frameworks.

3. Reviewing annually the reasons for and the process of selecting the ESG material factors, taking into account business strategy, market conditions and stakeholder concerns.

4. Reviewing annually the processes for identifying, assessing, and managing climate-related risks and opportunities across the 4 pillars of governance, strategy, risk management, and metrics and targets, and related reporting aligned with the TCFD recommendations.

5. Overseeing the adoption of the Company's sustainability goals and targets, as well as management's plans and progress towards achieving the goals and targets.

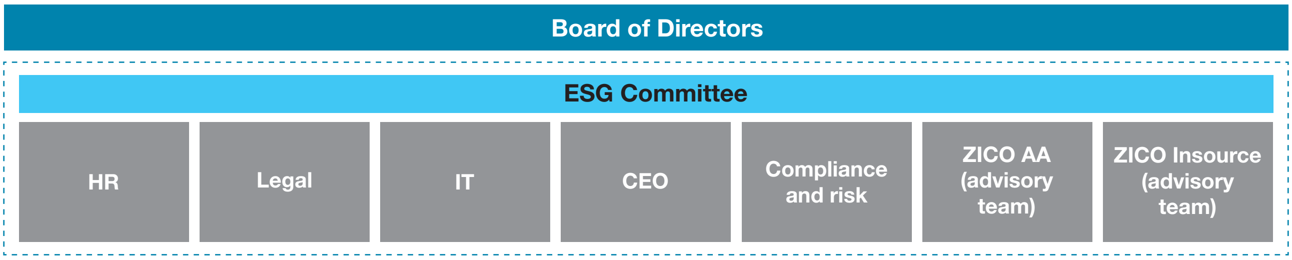
6. Monitoring the Group's performance against previously disclosed targets in relation to identified material ESG factors.

The ESG Committee comprises the heads of the various departments in the Group (including human resource, legal, IT and the compliance and risk functions), the CEO of the Company, ZICO AA Sdn. Bhd. and ZICOInsource Sdn. Bhd. ZICO AA Sdn. Bhd. and ZICOInsource Sdn. Bhd. are subsidiaries of the Group and are responsible for performing advisory functions within the ESG Committee.

1 Following the retirement of Mr. Paul Subramaniam on 29 February 2024, the functions and responsibility of the Chief Risk Officer will be overseen and managed by the current Head of Compliance Services, who will ensure continuity until a suitable replacement is identified. In recognition of Mr. Paul Subramaniam's expertise and contributions, the Company is engaging him as a consultant on a contract basis, wherein he will provide valuable guidance and support to the Group during the interim period until a replacement has been identified.

SUSTAINABILITY **REPORT**

As mentioned above, the ESG Committee will have oversight of climate-related matters and will continuously review the Group's compliance with applicable climate-related reporting frameworks, as well as look to further implement strategies and measures to ensure such compliance. The ESG Committee will meet quarterly in each financial year and report to the Board, and shall ensure that such reports include any identified climate-related issues and risks that may impact the Group in the short, medium and long-term horizons, as well as the relative significance and materiality of such identified risks.



2023 KEY HIGHLIGHTS

Following establishment of the ESG Committee, the Group has demonstrated its commitment towards ESG related goals and processes, in particular climate change and reporting initiatives. The Group has undertaken a climate risk assessment to identify climate related risks and opportunities in the context of the Group's businesses and has commenced reporting for Scope 3 GHG emissions. FY2023 shall be the baseline year against which goals and targets are set for Scope 3 emissions and the Group is committed to improving its reporting processes for climate related matters on an ongoing basis, for instance by gathering more accurate data and information on distance travelled for both the categories of business travel and employee commute.

ZICO believes that sustainability efforts within the workplace start with education and the Group has organised sustainability webinars to educate employees on understanding what is meant by net zero, why it matters, how to assess one's carbon footprint and implement sustainable practices. Total energy consumption within the Group has reduced by approximately 9% from the previous year and Scope 2 GHG emissions have reduced by approximately 8% from FY2022, through a continued focus on energy efficiency measures and educating employees on the implementation of such measures.

From a governance perspective, ZICO continues to maintain its record of no recorded breaches or withdrawals of licences, as well as zero reported incidents of non-compliance with anti-bribery and corruption laws and regulations. The Group Whistleblowing policy was reviewed and updated in FY2023 to ensure continued relevance.

We continued to maintain gender diversity and inclusivity in our workforce, whereby approximately 63% of our workforce, 63% of management in corporate office and 50% of our business leaders are women. Many of these accomplished women serve as pioneering leaders within their ZICO subsidiaries, entrusted by the Board to initiate, operationalize, and cultivate growth, ultimately contributing substantial value to the Group.

In 2023, there has been an increase in employee engagement events organised by the Group across its offices in Malaysia and Singapore. The Group also invested in creating a new pantry space for employees in the Malaysian office to encourage social interactions between employees and create a more positive work environment and culture. ZICO also launched its inaugural employee engagement survey to understand where improvements are needed, whereby the results and action plans are shared during townhall meetings.

As a professional services provider, client confidentiality and data protection are key to our continued success, particularly in the current environment where cybersecurity is of paramount importance. In 2023, Group IT continued to review document management options which will help to introduce greater file security measures and data protection measures. One of the Group's targets is to establish a cybersecurity framework to ensure data privacy protection and embrace industry best practices for data protection.

REPORT OVERVIEW

SR2023 primarily covers the Group's business operations in Malaysia and Singapore, which are the core markets of the Group. More than 80% of the Group's subsidiaries are located in Singapore and Malaysia. Singapore and Malaysia collectively contributed 75%[2] of the Group's turnover for FY2023 and houses approximately 82% of the Group staff. Unless otherwise stated, all data and information reported herein are in relation to FY2023.

SR2023 has been prepared in accordance with Catalist Rule 711B; the Sustainability Reporting Guide of the SGX-ST (Practice Note 7F of the Catalist Rules); and with reference to the Global Reporting Initiative ("**GRI Standards**") 2021. The required GRI content index can be found in the GRI Content Index on pages 49 – 51 of this Report.

The GRI Standards were used as the reporting framework for this Report due to its reach, usage, and comparability as the first and most widely adopted global standard for sustainability reporting. The Company further aligns itself with the selected pillars under the United Nations Sustainable Development Goals ("**UNSDG**") as described below in this Report.

The Company also takes note of the standardised set of core ESG metrics recommended by the Singapore Exchange Regulation ("**SGX RegCo**") and the mandatory climate-reporting requirements based on the recommendations of the TCFD effective in FY2023.

The Group's processes for stakeholder identification and engagement (as set out in Appendix 1) have remained unchanged since 2019. In addition, the management's approach for identifying material factors remains the same as that of Sustainability Report 2021. Continuity in approach facilitates consistency and comparability in the Group's sustainability performance over time and is aligned with SGX's aspirations for elevated sustainability disclosures by Singapore-listed issuers.

This Report has been reviewed internally by the risk and compliance department of the Group and the Group has appointed an internal auditor to review the Company's sustainability reporting process. The internal audit is being carried out through a phased approach with the review being carried out for the material factors of (i) energy and (ii) emissions in FY2023. The review by the internal auditor is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. No external assurance was sought for this Report. The SR2023 can be accessed and downloaded via the SGX website at https://www.sgx.com/securities/company-announcements or the Company's corporate website at www.zicoholdings.com. The Group welcomes feedback from its stakeholders regarding the Report. Any queries, feedback, and comments may be forwarded to kevin.tan@zicoholdings.com.

2 See page 9 of this Report.

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH

Current focus

Within the overarching framework of the 2030 Agenda for Sustainable Development, the United Nations identified 17 Sustainable Development Goals[3] that are targeted at addressing the most pressing global issues such as poverty eradication, reducing inequality and climate change. Assessing these in the context of ZICO's business, ZICO has identified the following six Sustainable Development Goals which guide its corporate values and decisions.

Since the launch of the Singapore Green Plan 2030[4] in 2021, ZICO also supports the call to action for a whole-of-nation movement to build a sustainable future. Encompassing a broad spectrum of sectors, the plan outlines a strategic framework to address key environmental challenges and promote sustainable practices across various industries.

3 For more information on the 17 Sustainable Development Goals identified in the 2030 Agenda for Sustainable Development, shareholders may refer to: https://sdgs.un.org/goals

4 For more information on the Singapore Green Plan 2030, shareholders may refer to: https://www.greenplan.gov.sg/

Stakeholders' requirements

Key stakeholders (who are identified through the materiality assessment process described in Appendix 1) are those who have an impact on ZICO's ability to achieve its short and long term business goals. Through meaningful engagement with various stakeholder groups and a careful consideration of their relationships with ZICO, the Group has identified the essential requirements and priorities of each stakeholder. This understanding guides the operational approach of the Group, especially in the development and delivery of its services. This stakeholder-centric strategy reflects the Group's commitment to fostering positive relationships, promoting transparency, and delivering services that meet the expectations of its diverse stakeholder community.

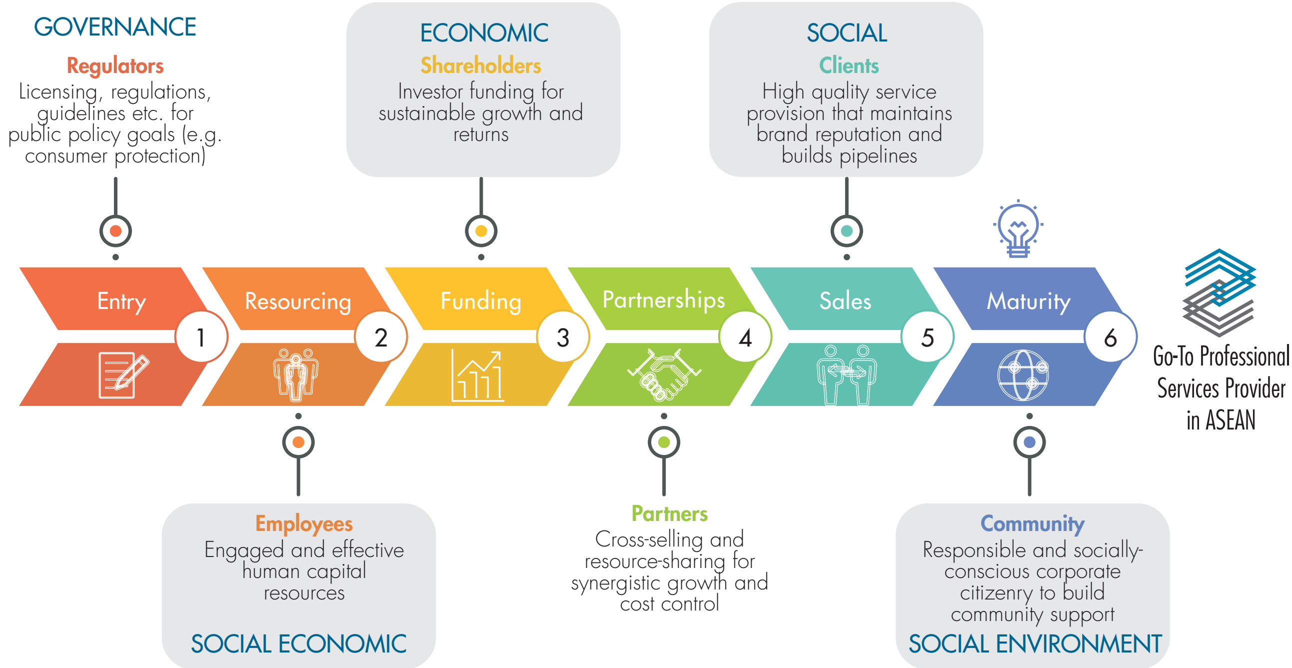
For the purpose of identifying stakeholders' needs and concerns, the company has carried out a materiality assessment exercise. This process involves the identification of material factors through active engagement with key stakeholders. Feedback obtained from each stakeholder group has been instrumental in shaping measures taken to address identified material factors.

An example of such a material outcome stems from engagements with ZICO's employees, a significant stakeholder group, which highlighted a need to enhance awareness about the importance of sustainability within the Group. In response, the Group has organised initiatives such as sustainability talks to educate employees on the meaning of net zero and how sustainability plays a role in their workplace.

SUSTAINABILITY REPORT

Identification of material factors

In line with ZICO's business model and its vision of becoming the "Go-To Professional Services Provider in ASEAN", the Group has distilled and identified its key risks, opportunities, and value drivers which guide the identification of material sustainability factors. The Company delved deeper into both internal and external elements impacting ZICO's business model, taking into account the timeframes for these factors. In conjunction with pinpointing pivotal concerns raised during interactions with stakeholders, the company identified and ranked material sustainability factors. This prioritization was based on ZICO's influence within each sustainability area – such as governance, social responsibility, economic practices, and environmental considerations – as well as its impact on stakeholders.



Governance

Corporate governance is a high priority sustainability area for ZICO. Regulatory compliance, internal corporate governance and codified business ethics are critical for continuity of the Group's licences and service quality. ZICO continues to pride itself as a highly regulated professional services provider holding one of the most extensive suites of licenses. This means that governance is an important value driver for the Group as it strives towards its business goals, whether in terms of maximizing brand value or even just business continuity through regulatory compliance.

With the Group's geographic reach in ASEAN, ZICO also has the responsibility for the dissemination of good governance practices and standards beyond our immediate clients. This impact on governance touches on all stakeholders – regulators, employees, shareholders, partners, clients, and community – who rely on ZICO to perform its actions with the highest standards of integrity and professionalism. On this basis, it can be established that material factors like corporate governance, anti-corruption and bribery, and adequate whistleblowing policies continue to be of high importance and priority for ZICO.

Social

As an MDP services provider, ZICO is in the business of people. Our employees, consultants and advisors are the cornerstone of the Group's business as they determine the quality of the services rendered to our customers and how efficiently such services are delivered. Additionally, strong community relations are a key tenet to building an extensive and meaningful network throughout ASEAN. In turn, these value drivers are also areas in which the Group creates high social impact across multiple stakeholders.

The Group believes that focus on employees as a key stakeholder group is crucial for a professional services organisation. ZICO strives to provide a healthy, supportive and inclusive workplace environment for its employees. Customer satisfaction is also an important factor that will increase the value created by the Group and ensure sustainability and continuity of the Group's businesses. As such, material factors like employment; diversity and equal opportunity; occupational health and safety, training and education; customer satisfaction; and customer privacy are of high priority.

Economic

ZICO is emerging from its initial years of portfolio building of a holistic suite of services to broaden and deepen its MDP offerings in Malaysia and Singapore. Shareholder value from the growth and maturation of these investments are starting to crystallise as the Group expands its capabilities whilst divesting businesses that are not regarded as core service offerings. The Group is currently working towards consolidating its efforts to further expand in the wealth management and asset management space to leverage on Singapore's position as an international financial services hub. This strategy aims to generate shareholder value by focusing on one of the Group's more scalable service offerings.

Environmental/Climate Change

ZICO's environmental impact is relatively low as it mainly functions as a professional service provider. ZICO's operations typically require standard office resources e.g. paper, energy, etc., and these present the immediate material factors to focus on as an improvement on climate-related initiatives. In particular, reducing the usage of materials and energy will improve value as it reduces costs. It is also part of a broader reputational strategy to reinforce ZICO as a responsible corporate citizen. For example, through implementation of measures such as the Green Office Initiative to improve the conservation of energy and reduce emissions, ZICO aims to play its part in reducing environmental impact of its businesses.

Compliance with climate-related disclosures consistent with the recommendations of the TCFD

The Company takes note of the requirement for listed issuers to incorporate climate-related disclosures consistent with the TCFD recommendations, whereby climate reporting is mandatory for FY2023.

As mentioned in the Sustainability Report 2022 ("**SR2022**") ZICO has implemented climate reporting consistent with the TCFD recommendations for SR2023 on the following basis: (1) the Group is using data gathered in the calendar year 2023 as a base year and reference point against which progress for climate related targets will be measured; (2) the Group has identified the climate related risks and opportunities which will have an impact on the Group's operations and performance over short, medium and long term horizons, and has set out broad based strategies to manage such climate related risks and opportunities (please refer to the climate risk assessment set out in Appendix 2); and (3) the Group views the managing of climate related risks as a continuous process and will continue to strengthen its internal frameworks and processes for managing climate related risks and strengthening reporting processes, including steps it can take to mitigate, transfer, accept, or control those risks.

SUSTAINABILITY **REPORT**

The TCFD has four recommendations on climate-related financial disclosures that are structured around four thematic areas, namely: Governance, Strategy, Risk Management and Metrics and Targets. The following table sets out the disclosures that are included in this Report.

Topic	Current state	Next steps	Reference
1. Governance			
Recommended Disclosure (a) – Describe the board's oversight of climate-related risks and opportunities	• The board has formed an ESG Committee since 2023 and the ESG Committee has oversight of climate-related matters. This includes targets and goals setting, climate scenario analysis with the relevant risks and opportunities, and compliance with sustainability-related regulations. • The ESG Committee will meet quarterly each year. The Chief Risk Officer[5] will update the ARC about climate related issues discussed in the ESG Committee meetings 2 – 3 times a year. • The ESG Committee will continuously monitor the implementation and performance of strategies and measures to ensure compliance with applicable climate-related reporting frameworks for climate-related issues. • Currently management incentives and remuneration are not linked to ESG metrics.	• Continue addressing climate related matters in ESG Committee meetings and updates to the Board. • Continued Board oversight in reviewing climate-related matters such as climate scenario analysis, the associated risks and opportunities identified, and monitoring climate-related strategies. • Continued tracking by ESG Committee of climate related targets and metrics.	23 – 24
Recommended Disclosure (b) – Describe management's role in assessing and managing climate-related risks and opportunities	• As mentioned above, the Group has assigned climate-related reporting responsibility to the ESG Committee which includes the members described in page 26. During FY2023, the Company has also finalised the ESG Committee's terms of reference which have been approved by the Board. • The Chief Risk Officer[6] will update the ARC about climate related issues discussed in the ESG Committee meetings 2 – 3 times a year. • At the ESG Committee meetings, climate related issues are discussed including climate related targets and metrics and progress in achieving those targets.		23 – 24

5 Please refer to footnote 1.
6 Please refer to footnote 1.

Topic	Current state	Next steps	Reference
2. Strategy			
Recommended Disclosure (a) – Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	• The Group's business strategy and planning consider key climate-related risks in the short and long-term and ways to manage the impact on its operations. • The ESG Committee has conducted its inaugural climate risk assessment in FY2023 across key markets to identify relevant transition and physical risks and opportunities over the short (≤ 1 year), medium (>1 year and < 5 years) and long term (≥ 5 years). • Please refer to the Company's climate risk assessment in Appendix 2 for a description of the specific climate-related issues identified. • The risks and opportunities that could have a material financial impact on the organisation were discussed and determined by the ESG Committee and the climate-risk assessment was prepared by the ESG Committee and approved by the Board.	• Conduct engagement with stakeholders to understand the climate related risks and opportunities that will have a significant impact on stakeholders. • ESG Committee will consider how climate-related issues may be relevant to the financial planning process and how to incorporate such issues into the organisation's strategy and financial planning. • ESG Committee to continuously monitor GHG emission targets and achievement of those targets.	Appendix 2
Recommended Disclosure (b) – Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	• This is included in the Company's climate risk assessment document.		Appendix 2
Recommended Disclosure (c) – Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• This is included in the Company's climate risk assessment document.		Appendix 2

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Topic	Current state	Next steps	Reference
3. Risk Management			
Recommended Disclosure (a) – Describe the organization's processes for identifying and assessing climate-related risks	• The Company has adopted and implemented a climate change policy in FY2023 setting out the role of the ESG Committee in addressing climate related risks. • In 2023, the Company has embarked on a climate risk and scenario analysis assessment to better understand the climate-related risks and opportunities that impact its businesses. • Through this exercise, the Company has identified significant transition and physical risks that could adversely impact the Group operationally and financially.	• Conduct engagement with stakeholders to understand the climate related risks and opportunities that will have a significant impact on stakeholders. • Continue to identify and introduce potential mitigation measures to reduce exposure to the Company's climate-relate risks.	Appendix 2
Recommended Disclosure (b) – Describe the organization's processes for managing climate-related risks	• The Company has identified the relevant transition risks (such as policy and legal and/or technological risks), and physical risks (such as acute and chronic changes in weather or temperatures) in its climate risk assessment. • Management of climate related risks will be under the purview of the ESG Committee and materiality determinations are made through deliberation with members of the ESG Committee and where required, approval from the Board. • The Group has also set targets for reduction of GHG emissions and monitors progress towards achieving those targets on a quarterly basis.		23 – 24, Appendix 2
Recommended Disclosure (c) – Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	• The Chief Risk Officer[7] will consider how climate related risks are integrated into the overall risk management framework and update the ARC accordingly.		23 – 24

7 Please refer to footnote 1.

Topic	Current state	Next steps	Reference
4. Metrics and Targets			
Recommended Disclosure (a) – Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	• Currently the Group does not produce emissions directly but contributes to emissions indirectly from consumption of energy produced from carbon-based fuels. The metric used to measure such emissions is metric tons of CO2 emitted based on grid emission factors in Malaysia and Singapore. • The Group has collected data for Scope 3 emissions in 2023 for disclosure in SR2023. • The Group has set two key climate targets: (1) reduce electricity usage as follows: (a) 0.5% reduction in the short term; (b) 1% reduction in the medium term; and (c) 1.5% reduction in the long term; (2) reduce Scope 2 and Scope 3 emissions as follows: (a) 1% reduction in the short term; (b) 2% reduction in the medium term; (c) 3% in the long term.	• Improve the process for collecting Scope 3 emissions. Currently the data for business commute is being collected and converted to GHG equivalent values using the spend-based method. The Group will focus efforts on its data collection process to transition to calculations using a distance based method moving forward.	47 – 48
Recommended Disclosure (b) – Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	• As above		N/A
Recommended Disclosure (c) – Describe the targets used by the organization to manage climate-related risks and opportunities and performance targets	• As above		N/A

Time periods for sustainability goals

Where a goal is described as a short-term goal or target in this Report, these are goals that the Group intends to achieve within the next year. Where goals are described as medium-term, these refer to goals to be achieved in the next 2-5 years, while long-term goals are those goals which the Group intends to achieve beyond the next 5 years. In SR2022, it is stated that medium term goals would be from 2-3 years. However, the ESG Committee has determined that the following time frames would be more appropriate: short term being equivalent to or less than 1 year; medium term being more than 1 year but less than 5 years and long term being 5 years or more. The reason for changing the time frame for medium term goals is because the ESG Committee is of the view that this is more in line with common ESG practice and otherwise goals that are to be achieved in the next 4-5 years would not have an appropriate category.

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Summary

Based on the risk ranking and prioritisation approach outlined above, ZICO has identified the ESG factors that are material to its operations as set out in the table below. The high impact/risk factors listed below are of immediate focus in the short-term as ZICO deems them to be critical to its business and operations.

Impact/Risk	Area	Material factors	GRI Standard
High	Governance	Corporate governance	Non-GRI
		Board composition	GRI 102
		Management diversity	GRI 102
		Business ethics/anti-bribery	Non-GRI
		Whistleblowing	Non-GRI
High	Social	Employment	GRI 401
		Diversity and equal opportunity	GRI 405
		Occupational health and safety	GRI 403 and Non-GRI
		Training and education	GRI 404
		Customer satisfaction	Non-GRI
		Customer privacy	GRI 418
		Contribution to community	Non-GRI
Medium	Economic	Economic performance	GRI 201
Low	Social	Sustainable procurement	Non-GRI
Low	Environmental	Materials	GRI 301
		Energy	GRI 302
		Emissions	GRI 305

2023 SUSTAINABILITY SCORECARD

Overview of key material factors

For the purpose of the overview and the 2023 targets set out below, the ESG Committee have determined that the 2023 targets were excessively detailed and did not allow for flexibility in the approach of management towards achievement of ESG objectives. The Company should consider adopting goals that were more overarching which allows more flexibility to management to achieve these goals. This is also more aligned with market practice of companies in determining ESG targets. This recommendation was adopted and approved by the Board and has been implemented in determining the 2024 targets.

Where there is a reference in this Report to a target which is for the short-long term, this means that it is a target which should be met continuously in the short, medium and long terms. The following table shows the performance against the 2023 targets and the 2024 targets presented and approved by the Board:

	2023 targets	Achievement of 2023 targets	2024 targets
Governance	Incorporate active governance of sustainability issues by management in line with TCFD recommendations; identification of sustainability targets for short, medium and long term; continue to conduct regular reviews of governance practices and polices	Set up ESG Committee which provides for senior management oversight on sustainability issues including climate related issues; target setting carried out for short, medium and long term targets; whistleblowing policy updated	• Uphold zero corruption, unethical behavior and fraud incidents across the Company's operations (short – long term) • Establish a cybersecurity framework to ensure data privacy protection and embrace industry best practices for data protection (short term) • Achieve no reported breach or revocation of any licences held by subsidiaries of the Company (short – long term)
	Improve board gender diversity by including at least one female board director	Please refer to the Corporate Governance Report on page 70 for further information	
	Maintain support for management gender diversity	Management gender diversity maintained	• Appoint one female director to the Board (short term)
Environmental	Continue to encourage recycling of paper where possible, and eliminating unnecessary consumption of single-use plastics **2022:** Restated 2022 figure as 2150 kg*	Reduced paper used in 2023 from 2150kg to 2037.5kg	• Reduce paper usage from 2023 baseline as follows: 1% reduction in the short term; 2% reduction in the medium term and 3% reduction in the long term as we move towards a more paperless era
	Continue with Green Office Initiative **2022:** 121,927 kWh in energy used (26% decrease from previous year)**	**2023:** 110,986 kWh in energy used (9% decrease from previous year)	• Reduce electricity usage from 2023 baseline as follows: 0.5% reduction in the short term; 1% reduction in the medium term and 1.5% reduction in the long term
	Implement tracking of GHG emissions in line with TCFD recommendations; continue to encourage video conferencing and online workspaces to reduce GHG emissions arising from transportation **2022 Scope 2 emissions:** 76.34 tonnes of CO2 produced (9% decrease from previous year)**	Introduced tracking of Scope 3 GHG emissions in line with TCFD recommendations **2023 Scope 2 emissions:** 70.20 tonnes of CO2 produced (8% decrease from previous year) **2023 baseline for Scope 3 emissions is as set out in page 48.**	• Reduce emissions which are derived from (a) electricity usage (Scope 2 emissions) and (b) business travel and employee commute (Scope 3 emissions) with 2023 as a baseline as follows: 1% reduction in the short term; 2% reduction in the medium term and 3% in the long term

* Restated from the figure reported in SR2022, please refer to page 46 for more details.
** Restated from the figure reported in SR2022, please refer to pages 47 to 48 for more details.

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	2023 targets	Achievement of 2023 targets	2024 targets
Social	Continue employee-centered activities and initiatives	Employee engagement events such as office functions and festivities, townhalls, teamwork building events were carried out	• Maintain zero fatalities and injuries in the workplace (short – long term) • Carrying our continuous employee engagement by organising employee centered initiatives (short – long term) • Maintain at least 50% women representation at management level (short – long term)
	Maintain support for workplace gender diversity	63% female employment. In 2022, this figure was 64%	
	Maintain support for workplace gender diversity; resume celebration of IWD	Workplace gender diversity maintained, IWD celebration was held	
	Continue office safety self-audit to aim for zero fatalities, injuries and illness and continue mental wellness initiatives	Zero workplace fatalities and injuries; conducted mental wellness initiatives such as "Affirmative Happiness Workshop"	
	Continue with working in office policy subject to any government required rulings on workplace safety	Implemented a full work from office policy in 2023	
	Continue efforts on promoting mental wellness including mental wellness month programme	Continued mental wellness month programme by organizing "Affirmative Happiness Workshop"	
	Seek to measure degree of repeat and cross selling among clients and implement formal tracking of cross referrals	Subsidiaries continue to cross sell services in 2023 but the ESG Committee has recommended that this need not be tracked for ESG purposes moving forward as it is not ESG related	
	Continue to incorporate online training and investing in employee upskilling and education	Continued subscribing to LinkedIn Learning, maintained average learning hours at approximately 11.6 hours/employee	
	Introduce revised document management options, introduce greater file security and customer privacy, annual review of Group IT policies	Reviewed and updated Group IT policy, continued to explore options to revise document management system which will in turn introduce greater file security and customer privacy	
	Continue focus on activities that help to achieve sustainability targets	Organised sustainability talk for employees for education on the importance of sustainability	
	Continue focus on ESG activities for employees within the Group	The Group has carried out activities such as celebration of Earth Hour and partnering with Singapore NGO Soles4souls to collect pre-loved shoes for the poor	

Performance across specific material factors

CORPORATE GOVERNANCE

As a publicly traded professional services firm equipped with a comprehensive array of licenses, ZICO is dedicated to maintaining the utmost standard of corporate governance. This commitment is pivotal for securing the long-term sustainability of the business, safeguarding the interests of shareholders, and optimizing enduring shareholder value. There has not been any reported breach of any licences held by the Group in FY2023 and this continues to be one of our key governance targets for FY2024. For in-depth information, including detailed disclosures on ZICO's corporate governance practices, as well as insights into the composition, independence, and performance of the Board, kindly refer to the Corporate Governance Report at pages 61 to 105.

ZICO has strategically refined its business operations by acquiring new ventures that augment its core service offerings, while concurrently divesting businesses which are non-core to its long-term strategy. Throughout the year, the Company successfully upheld the requisite standards of governance, demonstrating its commitment to maintaining robust and effective corporate practices.

In 2023, ZICO completed its acquisition of the remaining 25% of ZICO Asset Management Pte Ltd., in line with its strategy to focus on wealth management and asset management as one of its core service offerings. ZICO, as a group, continues to be licensed by various authorities in Malaysia and Singapore as shown in the table below:

Company	Regulating Body
ZICO Trust (S) Ltd	Monetary Authority of Singapore
ZICO Trust Limited	Labuan Financial Services Authority (Malaysia)
ZICO Shariah Advisory Services Sdn. Bhd.	Securities Commission of Malaysia
ZICO Asset Management Pte. Ltd.	Monetary Authority of Singapore
ZICO Capital Pte. Ltd.	Monetary Authority of Singapore
ZICO Capital Sdn. Bhd.	Securities Commission of Malaysia Bursa Malaysia Berhad
ZICO Trust (M) Bhd	Companies Commission of Malaysia

In the upcoming year of 2024, aligning with the TCFD recommendations, ZICO's board and management are dedicated to evaluating the Group's sustainability strategy. There will be a particular focus on prioritizing initiatives related to climate concerns and reporting. The ESG Committee will continue to focus efforts on monitoring and effective management of ESG factors to ensure the Group's ongoing alignment with sustainability goals.

2024 TARGETS	
Short – long term	• Achieve no reported breach or revocation of any licences held by subsidiaries of the Company

SUSTAINABILITY **REPORT**

BOARD COMPOSITION

As of 31 December 2023, the Company's Board comprises two non-independent executive directors, one non-independent non-executive director and two independent non-executive directors. Accordingly, independent directors form 40% of the Company's Board. Apart from Mr Yap Tien Wei, the other four directors have been on the Board since the Company's listing in November 2014. John Lim has been appointed as the chairman of the Board following the retirement of Dato T Jasudasen. The expertise and experience of the Board members are wide-ranging and befitting for the holistic portfolio of ZICO. Please refer to the Board of Directors section, pages 15 to 19 for details of each director's background, competencies, and other significant positions and commitments and page 67 of this Report for further details on the Board composition.

The Board adopted a gender diversity policy in 2022, whereby the NC will need to identify the current needs of the board and consider all aspects of diversity which will help complement and strengthen the Board and arrive at a suitable and balanced Board composition which is in the best interest of the Company. The Board gender diversity policy also requires the NC to encourage the emergence of diverse candidates by ensuring that diverse candidates (including at least one female and one ethnic minority candidate) of appropriate merit are included for consideration. As at the date of this Report, the Company has appointed one female director to the Board. Please refer to page 70 of this Report for more details.

2024 TARGETS	
Short term	• Appoint one female director to the Board.

MANAGEMENT DIVERSITY

As of 31 December 2023, approximately 63% of the corporate office's management and 50% of the business leaders within the Group's subsidiaries are female. This is comparable to the figures reported for FY2022 where 64% of corporate office management and 50% of business leaders were female. The female leadership at ZICO comprises seasoned professionals in their respective domains, having extensive experience ranging from 9 to 49 years. Many of these accomplished women serve as pioneering leaders within their ZICO subsidiaries, entrusted by the Board to initiate, operationalize, and cultivate growth, ultimately contributing substantial value to the Group. The Group continues to encourage female leadership and promotion of female participation in management by facilitating conversations and raising awareness on community issues such as female empowerment and implementation of appropriate policies such as the Group Anti Sexual Harassment Policy.

2024 TARGETS	
Short – long term	• Maintain support for management gender diversity
Short term	• Achieve at least 60% of management being women and at least 50% of business leaders being female.

BUSINESS ETHICS/ANTI-BRIBERY

ZICO has implemented a stringent zero-tolerance policy towards bribery and corruption. The organization is steadfast in its commitment to conducting business professionally, fairly, and with integrity across all operating regions. This principle is paramount for the Group's business continuity, brand image, and reputation as trusted advisors. Regular reviews of controls are undertaken to ensure that all business activities adhere to ethical standards and comply with anti-corruption regulations. The ultimate objective is to achieve zero incidents of non-compliance.

Some licensed subsidiaries within the Group are subjected to distinct statutory requirements concerning anti-bribery and corruption. Consequently, these subsidiaries have adopted their own anti-bribery policies and procedures tailored to their specific operations and business nature. The contents of these policies are contingent upon the unique circumstances and business activities of each subsidiary, ensuring compliance with applicable statutory obligations. This approach enables a targeted and context-specific implementation of anti-bribery measures within each entity of the Group.

Any instance of suspected or alleged bribery is included in the monthly reporting to the Escalation Committee. The Escalation Committee consists of the management heads and is tasked with carrying out investigations into any reported instance of suspected or alleged bribery and/or corruption within the Group and to determine appropriate reporting and/or rectification measures in the event of such non-compliance or concerns. In 2023, there were no reported instances of suspected or alleged bribery.

2024 TARGETS	
Short – long term	• Uphold zero corruption, unethical behavior and fraud incidents across the Company's operations
Short – long term	• Annual review, and update if necessary, of the Anti-Bribery and Corruption Policy by Group Risk and Compliance

WHISTLEBLOWING

Due to the confidential nature of ZICO's business operations, maintaining a high level of integrity and propriety is crucial. Any activity that poses a threat to ethical business conduct, the company's listing status, or its array of licenses is deemed unacceptable. Issues such as corruption, conflicts of interest, breaches in internal controls, collusion with competitors, insider trading, and disciplinary misconduct are explicitly prohibited. These issues, if not addressed, can significantly impact the Group's operations and compromise the interests of its stakeholders. For instance, insider trading, whether involving ZICO's shares or those of third parties like clients, not only undermines fair capital markets but also detrimentally affects the broader community and their interests in these markets.

The Group Whistleblowing Policy was reviewed in 2023 and updated to ensure continued relevance. Based on the register maintained by the Chief Risk Officer[8], there was one reported instance of whistleblowing in 2023. The complaint was reviewed and investigated in accordance with the Company's policies and sufficient safeguards and monitoring actions were put in place thereafter. The whistleblower's identity is only known to the Head of Risk and compliance, the Head of Legal, and the Chairman of the ARC. Any investigations that need to be done are structured so that the identity of the whistleblower is not evident, unless the whistleblower expressly permits his or her identity to be disclosed, or disclosure is mandated by law.

2024 TARGETS	
Short – long term	• Annual review, and update if necessary, of the Whistleblowing policy by Group Risk and Compliance to ensure adequacy

8 Please refer to footnote 1.

SUSTAINABILITY REPORT

EMPLOYMENT

Being a provider of professional services, the Group prioritises its employees who are the key revenue generators for each subsidiary within the Group. ZICO adopts fair, progressive, and non-discriminatory employment policies covering hiring practices and remuneration, amongst other things, to attract and retain talent. The number of new hires and employee turnover statistics for 2023 are as set out below, along with a comparison for the figures for 2022:

NEW HIRES

YEAR	TOTAL	AGE GROUP			GENDER		REGION	
		<30	30-50	>50	Male	Female	Singapore	Malaysia
2023	**35**	14	16	5	16	19	17	18
2022	**34**	17	16	1	15	19	9	25

EMPLOYEE DEPARTURES

YEAR	TOTAL	AGE GROUP			GENDER		REGION		
		<30	30-50	>50	Male	Female	Singapore	Malaysia	ETR*
2023	**27**	9	10	8	13	14	14	13	18%
2022	**31**	9	20	2	11	20	11	20	22%

* ETR = total Employee Turnover Rate

ZICO's employee turnover rate in the calendar year 2023 has reduced slightly compared to that of 2022, with 35 new hires and only 27 departures, as compared to the 34 new hires and 31 departures that were recorded in FY2022. Throughout 2023, ZICO has implemented a full work from office policy with options for employees to sign up for flexible working timings where appropriate.

During the reporting period, the Group's commitment to fostering a vibrant and inclusive workplace was exemplified through a diverse array of employee engagement events across our offices in Malaysia and Singapore. Festivities such as the Chinese New Year celebrations in Malaysia and Singapore, featuring traditional activities like "Lou Sang" and lion dance, demonstrated the Group's dedication to cultural inclusion and appreciation.

The Hari Raya celebration in Kuala Lumpur and Singapore, Mid Autumn Festival in the Kuala Lumpur office, Halloween in the Singapore office as well as Deepavali in the Kuala Lumpur office showcased the Group's commitment to embracing cultural diversity. The Year End Party in 2023 involving all offices and subsidiaries within the Group highlighted global unity and shared accomplishments. Additionally, the monthly birthday celebration get-togethers in the Singapore office not only brought joy to our team members but also emphasized the importance of creating a close-knit and supportive work community.

ZICO launched an employee engagement survey in June 2023 to measure engagement level and to understand where improvements are needed. The results of this survey were shared during ZICO's virtual town hall in August 2023.

In furtherance of the Group's commitment to enhance the overall well-being and satisfaction of the employees, the Group has invested in the establishment of a pantry named "Zicozy" in the Malaysian office. This space is intended for employees to foster a sense of community and encourage social interactions. By making this investment, the Group aims to cultivate a positive and inclusive workplace culture that prioritizes the comfort and happiness of its employees while aligning with its broader sustainability goals. This initiative reflects our dedication to employee engagement and our belief that a content and supported workforce is fundamental to the long-term success of the organization.

The Group has also improved benefits for its employees in 2023 by extending dental and optical coverage to all levels of employees in Malaysia (previously these were only provided to employees above a certain grade). The criteria for applying for study and exam leaves in Malaysia were also loosened, making it easier for employees to apply for and access these leave periods. Maternity and paternity leave periods were also extended in Malaysia in line with new regulatory requirements.

2024 TARGETS	
Short – long term	• Carry out continuous employee engagement by organising employee centred initiatives

DIVERSITY AND EQUAL OPPORTUNITY

The Group is committed to the principles of diversity and equal opportunities by refraining from any form of discrimination based on race, religion, gender, or political beliefs towards its employees. Our hiring policies and career advancement strategies are exclusively merit-driven, emphasizing fairness and equal opportunities for all. Firmly opposed to the employment of individuals below 18 years of age, we maintain a clear stance against the exploitation of minors. Promoting work-life balance, flexible working hours are provided where appropriate, allowing employees the autonomy to tailor their schedules to meet personal and family needs. Encouraging our staff to strike a harmonious equilibrium between work and personal life, we endeavour to create a sustainable and supportive working environment for our employees.

EMPLOYEE COMPOSITION BY GENDER AND AGE

CATEGORY	GENDER			AGE GROUP			
	Male ♂	Female ♀	Total	<30	30-50	>50	Total
Management	22	38	**60**	2	31	27	**60**
Executives	28	49	**77**	28	41	8	**77**
Non-Executives	5	7	**12**	3	7	2	**12**
Total	**55**	**94**	**149**	**33**	**79**	**37**	**149**

SUSTAINABILITY REPORT

As of 31 December 2023, 63% of the Group's workforce is female which is similar to the 64% figure reported in SR2022. We take pride in our gender diversity statistics and female representation in the workplace which are significantly[9] above the 2022 global average of approximately 40%. By way of further comparison, 39% of the labour force in Malaysia and 64% of the labour force in Singapore in 2022 were female.

ZICO celebrated International Women's Day ("**IWD**") across all offices where all female employees received a box of chocolates and an appreciation card. The Group also participated in the IWD 2023 global campaign #EmbraceEquity by having all offices send in photos of employees holding up the #EmbraceEquity poster.

2024 TARGETS	
Short – medium term	• Maintain at least 50% women representation at management level

OCCUPATIONAL HEALTH AND SAFETY

ZICO is committed to continuously improving its occupational health and safety standards despite being a relatively low-risk workplace environment. Our health and safety policy came into effect on 27 March 2023 and is applicable to all employees, trainees, vendors and visitors to the office premises. The Company formed a health and safety committee comprising of safety leaders and fire wardens in all subsidiaries in the Group. The health and safety committee members are briefed on their roles, expectations and how to react in the event of an emergency in accordance with the health and safety policy.

In 2023, there were no fatalities as a result of work-related injury, no high-consequence work-related injuries, no recordable work-related injuries, and no recordable work-related illnesses or health conditions arising from exposure at work in the reporting period across the Group. ZICO also participated in fire drills organised by the building management of its offices to familiarise employees with the proper evacuation routes and practices.

In recent years, much emphasis has been placed on the mental health of our workforce. ZICO continued its Mental Wellness campaign in 2023 by holding "Affirmative Happiness Workshops" across all locations of the Group. This workshop was intended to help employees raise physical, emotional and mental energy and understand important ways in which individuals are able to enhance their relationships and raise their levels of happiness.

Group HR also arranged for a health screening in partnership with the National Cancer Society of Malaysia to offer health screening for the employees in the Kuala Lumpur office. 37 employees benefitted from this exercise. A similar initiative was conducted in the Singapore office where we partnered with HSBC Life and HOP Medical to offer complimentary health screening for employees, with a total of 30 employees in Singapore benefitting from this initiative.

9 Statistics were obtained from World Bank data derived from International Labour Organization, ILOSTAT database, which can be accessed at the following URLs. The URL for the global average is as follows: https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS; statistics for Malaysia can be found at the following URL: https://data.worldbank.org/indicator/SL.TLF.TOTL.FE.ZS?locations=MY; and statistics for Singapore can be found at the following URL: https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=SG. The link contains 2022 figures published by the World Bank. As at the date of this Report, the latest figures for 2023 have not yet been published by the World Bank.

2024 TARGETS

Short – long term	• Maintain zero fatalities and injuries in the workplace
Short – long term	• Annual review, and update if necessary, of the health and safety policy by Group Human Resource to ensure adequacy

TRAINING AND EDUCATION

ZICO believes that providing employees with learning and development opportunities is a crucial part of the Group's investment in its human capital. The average number of training hours per employee in 2023 was maintained at 11.6 hours. A further breakdown is provided below:

LEARNING HOURS BY GENDER, CATEGORY AND TYPE

YEAR	GENDER		CATEGORY			TYPE	
	Male	Female	Management	Executives	Non-Executives	Technical	Soft Skills
2023	9.5▼	12.8▲	12.8▼	12.1▲	2.3▼	70%▼	30%▲
2022	11.6	11.7	15.6	9.9	2.6	74%	26%

Following the successful trial in FY2022, the Group has continued to use LinkedIn Learning as the platform for its training programs and such expenses are claimable under the Human Resource Development Fund. The Group remains focused on increasing the depth and breadth of its training programmes to meet the changing needs and aspirations of its employees.

2024 TARGETS

Short – long term	• Continue to carry out online training activities and encourage participation by employees in learning and development activities

CUSTOMER SATISFACTION

The distinctive strength and competitive edge of the ZICO multidisciplinary platform stems from our extensive suite of services coupled with broad geographical coverage. As a professional services firm, customer satisfaction is one of the key metrics that would determine ZICO's competitiveness vis-à-vis other service providers. Looking ahead to 2024 and beyond, the management is focused on streamlining its service offerings primarily in the key offices of Singapore and Kuala Lumpur, Malaysia to focus on wealth management and related services which will be the key value driver for the business moving forward.

Although management is considering capturing client feedback in a categorical manner across the Group, this is not an immediate priority given the high number of repeat clients which implies a reasonable level of customer satisfaction. There are no targets for this specific material matter as the Company is reviewing its continued relevance and whether to include this as a material matter moving forward.

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CUSTOMER PRIVACY

In this digitally connected world, data privacy has become a significant concern, particularly for professional service providers such as ZICO. We place great importance on client confidentiality and data protection as this is a key area of consideration for our clients. The Group is committed to instilling confidence and assurance in clients and partners, fostering enduring business relationships and facilitating new ventures. Concurrently, diligent efforts are made to navigate legal and compliance risks associated with data protection regulations.

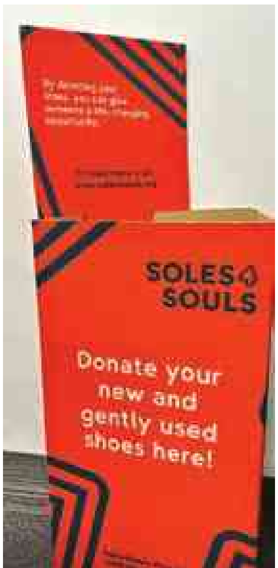
As of 31 December 2023, and similar to prior years, based on the register maintained by the risk and compliance function in the Group, the Group has not received any complaints concerning breaches of customer privacy or complaints from regulatory bodies. There have been no identified leaks, thefts, or losses of customer data. The Group has also implemented a Group-wide personal data protection policy to ensure compliance with data protection legislation and requirements.

Group IT reviewed and updated the Group's IT policy for FY2023 which includes (i) an internal data retention and destruction policy as well as (ii) applicable external/third party vendor engagement policies. Moving forward in 2024, Group IT will continue to review document management options that will improve file security and data protection measures. To ensure the resilience of our systems, the group will also be conducting a comprehensive disaster recovery test, focusing primarily on our file servers, risk database, and financial systems hosted in the virtual private cloud to safeguard the Group's operations and data in the event of unforeseen disruptions.

2024 TARGETS	
Short – long term	• Establish a cybersecurity framework to ensure data privacy protection and embrace industry best practices for data protection

CONTRIBUTION TO COMMUNITY

ZICO recognises the importance of prioritising comprehensive education initiatives to instil a deeper understanding of sustainability principles within its employees. By fostering awareness and providing the necessary knowledge, the Group hopes to empower our workforce to make informed choices that align with our environmental and social responsibility objectives. From promoting energy conservation practices to advocating for waste reduction and ethical sourcing, we believe that an educated and engaged workforce forms the foundation for a sustainable future.



To increase awareness and education of sustainability within its workforce, ZICO organised an ESG webinar titled "Journey to Net Zero: Getting Started" conducted by experts. The webinar covered key topics on sustainability such as understanding net zero, why it matters, assessing one's carbon footprint, implementing sustainable practices and tracking progress.

The Group also partnered with Singapore non-governmental organisations Soles4souls to collect pre-loved shoes for the poor in developing countries. A total of 50 pairs of shoes were collected through this event.

The Group also participated in the Earth Hour movement by having offices in all countries switch off their lights for an hour during lunch. A total of 88 employees participated across all offices of the Group.

2024 TARGETS	
Short – long term	• Continued focus on activities that educate employees on the importance of sustainability

ECONOMIC PERFORMANCE

In FY2023, there was a significant decrease in revenue by 9.7% from RM64.9 million in FY2022 to RM58.6 million in FY2023. This decrease was primarily due to slower corporate finance and consultancy activities in Singapore and Malaysia, due to softer market conditions amid economic uncertainty and elevated interest rates. The Group also suffered a reduction in revenue partly due to substantial termination of the Group's business in Myanmar due to its political instability There was however a slight reduction in employee benefits expenses from RM51.4 million in FY2022 to RM50.5 million in FY2023. For more information on the Group's economic performance, please refer to pages 8 – 9. There are no targets for this specific material matter as the Company is reviewing its continued relevance and whether to include this as a material matter moving forward.

Economic performance in RM ('000)	2022	2023
Economic value generated		
Revenue	64,945	**58,612**
Economic value distributed		
Employee benefits expense	51,403	**50,511**

SUSTAINABILITY REPORT

SUSTAINABLE PROCUREMENT

The Group's procurement impact is modest and primarily focused on office essentials, such as stationery, pantry supplies, and cleaning materials. A comprehensive procurement policy is maintained and applied, which sets out processes for the equitable and transparent selection of suppliers. This policy outlines specific criteria and the basis for supplier selection, ensuring a fair and competitive procurement process. In alignment with sustainable practices, the Group prioritizes the purchase of locally and domestically made products whenever feasible. This commitment reflects the Group's dedication to supporting local economies and minimizing its environmental footprint in the procurement process.

MATERIALS

ZICO has maintained its Green Office Initiative ("**GOI**") in an effort to reduce adverse environmental impact due to its business activities. The main material used in providing the Group's services is paper and therefore efforts are focused on going paperless where possible, coupled with a switch of printer default settings (such as having double sided printing by default) to limit paper and ink wastage. In 2022, the Group purchased and used 2150 kg of paper. This is a restated figure from the figure reported in SR2022 as the SR2022 figure of paper used did not include all the Malaysian and Singaporean offices under the Group due to a reporting error. The Group has now taken measures to ensure that all Malaysian and Singaporean offices are included in the reporting process. In 2023, the Group purchased and used approximately 2037.5 kg of paper in the Singapore and Malaysian offices, representing a 5% decrease from the 2022 figure. Moving forward, management will review efforts and implement measures to decrease usage of paper where possible.

Due to default reasons of confidentiality, and record-keeping requirements, based on management estimates, the amount of paper that is available for recycling is only 30% of the purchased amount, out of which almost 85% is actually recycled. Moving forward, the Group will continue its endeavors to improve its usage of recycled papers as part of the GOI through education of employees on the importance of saving paper as well as implementation of the target to reduce usage of paper by 1% in the short term, 2% in the medium term and 3% in the long term from the 2023 baseline figure.

2024 TARGETS	
Short term	• Reduce paper usage by 1% from 2023 baseline
Medium term	• Reduce paper usage by 2% from 2023 baseline
Long term	• Reduce paper usage by 3% from 2023 baseline

ENERGY

Being a business rooted in the ASEAN region, where all member nations are committed to the Paris Agreement[10], ZICO is committed to mitigate the potential negative environmental impact arising from its operations. The Group is therefore actively engaged in endeavours to diminish its carbon footprint. A continual initiative involves championing energy conservation practices, such as switching off lights during lunch hours and when workstations are vacant. The Group also strongly advocates for the shutdown of office equipment and computers when not in active use. In some offices, advancements in energy conservation are evident through the adoption of automated motion-sensor lighting systems in communal spaces.

10 For more information on the Paris Agreement, please refer to the website for the United Nations Framework Convention on Climate Change at https://unfecc.int/process-and-meetings/the-paris-agreement.

In 2023, there was a reduction in the in-office energy consumption by approximately 9% from 2022. Since 2022, the Group has migrated from on-premise servers to cloud servers to reduce high consumption of air-conditioning used to maintain the server rooms. ZICO's efforts towards reducing its carbon footprint will continue in 2024 and beyond.

Energy consumption & intensity		2022	2023
Singapore	Total electricity consumption (kWh)	47,136**	**40,813**
Malaysia	Total electricity consumption (kWh)	74,791	**70,173**
Total	Total energy consumption (kWh)	121,927**	**110,986**
	Energy intensity (kWh per RM)*	0.00188**	**0.00189**

* Energy intensity is calculated by taking the total energy consumption divided by each dollar (ringgit) of sales.

** These figures have been updated from the figures provided in SR2022. In SR2022, it was disclosed that the Singapore office consumed 45,638 kWh of electricity and the total energy consumption was 120,429 kWh, but due to a recalculation based on the Group's internal records and pursuant to the annual internal audit procedure conducted at the end of FY2023, this has since been updated to 47,136 kWh of electricity for Singapore, amounting to a total of 121,927 kWh for FY2022.

2024 TARGETS	
Short term	• Reduce electricity usage by 0.5% from 2023 baseline
Medium term	• Reduce electricity usage by 1.0% from 2023 baseline
Long term	• Reduce electricity usage by 1.5% from 2023 baseline

EMISSIONS

Although the Group does not produce emissions directly from its business operations, it does contribute to emissions indirectly from the consumption of energy produced from carbon-based fuels (see above under the disclosure for Energy) i.e. Scope 2 emissions as well as Scope 3 emissions in the categories of business travel and employee commute. As per the GRI Standards, the Group's GHG emissions are disclosed with reference to the guidelines of the Greenhouse Gas Protocol ("**GHG Protocol**").[11] For the purposes of SR2023 the Group's reported energy usage is confined to its Singapore and Malaysia offices, and its GHG emissions are associated with purchased electricity under Scope 2 and business travel and employee commute under Scope 3 of the GHG Protocol.[12] No other gases besides carbon dioxide (CO2) are included in the Group's calculation of GHG emissions and the Scope 3 emissions are calculated based on the emission factors set out in the UK Government GHG Conversion Factors for Company Reporting.

Total Scope 2 GHG emissions decreased by 8% contributed by a decrease in energy usage. Despite the reduction in energy consumption and total emissions, emissions intensity increased by approximately 2%, primarily due to the increase and restatement of the Grid Emission Factors for Singapore and Malaysia as well as the reduction in revenue from FY2022 to FY2023.

11 The reporting requirements for GHG emissions are based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard') and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' ('GHG Protocol Corporate Value Chain Standard'). These two standards are part of the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).

12 The GHG Protocol has established a classification of GHG emissions called 'Scope': Scope 1, Scope 2 and Scope 3. Direct GHG emissions (i.e. emissions from sources directly owned or controlled) are classified under "Scope 1"; energy indirect GHG emissions (i.e. emissions from the generation of purchased energy) are classified as "Scope 2" and; other indirect GHG emissions (i.e. emissions outside the organisation) are classified as "Scope 3".

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Energy indirect (Scope 2) GHG emissions & intensity		2022	2023
Singapore*	CO_2 emissions (metric tons)	19.65	**17.01**
Malaysia#	CO_2 emissions (metric tons)	56.69	**53.19**
Total	CO_2 emissions (metric tons)	76.34	**70.20**
	Emissions intensity (CO_2 kg per RM)^	0.00118	**0.00120**

* Based on Singapore's 2022 Grid Emission Factor (GEF) of 0.4168 CO_2/kwh. The 2022 Scope 2 emissions figure has been updated as SR2022 referred to Singapore's 2021 GEF, as well as the adjustments to the total electricity consumption figures for Singapore as updated and explained in the section titled "Energy" on page 47 above.

\# Based on Peninsular Malaysia's 2021 GEF of 0.758 CO_2/kwh. The 2022 Scope 2 emissions figure has been updated as SR2022 referred to Peninsular Malaysia's 2017 GEF.

^ Emissions intensity is calculated by taking the total CO_2 emissions divided by each dollar (ringgit) of sales. There was a typographical error in SR2022 which referred to "CO_2 metric tons per RM" for energy intensity, this has now been corrected to refer to "CO_2 kg per RM".

In respect of Scope 3 emissions, the Group has used FY2023 as the baseline year for data collection. There are two areas of data for Scope 3 emissions that are relevant, namely emissions arising from business travel and employee commute. The Group has calculated Scope 3 emissions for business travel by estimating the distance travelled from data on mileage and travel claims by employees. Moving forward, the Group intends to implement a more detailed record keeping process to track distance travelled and enhance accuracy in reporting on emissions for business travel. For employee commute, the Group will gather data through employee surveys of the distance travelled to and from work and mode of transportation to estimate the corresponding Scope 3 emissions. The survey is conducted annually to account for changes in employee numbers, distance travelled and changes in modes of transportation.

Energy indirect (Scope 3) GHG emissions & intensity		2023
Singapore	CO_2 emissions (metric tons)	**78.58**
Malaysia	CO_2 emissions (metric tons)	**114.37**
Total	CO_2 emissions (metric tons)	**192.94**
	Emissions intensity (CO_2 kg per RM)^^	**0.0033**

^^ Emissions intensity is calculated by taking the total CO_2 emissions divided by each dollar (ringgit) of sales.

Given the focus on climate related reporting and management, the Group will seek to reduce emissions which are derived from (a) electricity usage (Scope 2 emissions) and (b) business travel and employee commute (Scope 3 emissions) as follows: 1% reduction in the short term; 2% reduction in the medium term and 3% in the long term. The ESG Committee will continue to monitor this area and recommend methods to achieve the reduction targets.

2024 TARGETS	
Short term	• Reduce emissions (Scope 2 and Scope 3) by 1% from 2023 baseline
Medium term	• Reduce emissions (Scope 2 and Scope 3) by 2% from 2023 baseline
Long term	• Reduce emissions (Scope 2 and Scope 3) by 3% from 2023 baseline

GRI CONTENT INDEX

(Material sustainability factors in **bold**)

CATEGORY	GRI STANDARD	DISCLOSURE	REFERENCE
General disclosures	2-1	Organizational details	Page 22
	2-2	Entities included in the organization's sustainability reporting	Page 25
	2-3	Reporting period, frequency and contact point	Page 25
	2-4	Restatements of information	Pages 46 – 48
	2-5	External assurance	Page 25
	2-6	Activities, value chain and other business relationships	Page 22
	2-7	Employees	Pages 40 – 41
	2-9	Governance structure and composition	Pages 61 – 70
	2-10	Nomination and selection of the highest governance body	Pages 71 – 74
	2-11	Chair of the highest governance body	Page 70
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 23 – 24, 30
	2-13	Delegation of responsibility for managing impacts	Pages 23 – 24, 30
	2-14	Role of the highest governance body in sustainability reporting	Pages 23 – 24, 30
	2-15	Conflicts of interest	Pages 62 – 63, 70
	2-16	Communication of critical concerns	Pages 23 – 24, 30
	2-17	Collective knowledge of the highest governance body	Page 64
	2-18	Evaluation of the performance of the highest governance body	Pages 75 – 76
	2-19	Remuneration policies	Pages 77 – 82
	2-20	Process to determine remuneration	Pages 77 – 82
	2-21	Annual total compensation ratio	NA

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CATEGORY	GRI STANDARD	DISCLOSURE	REFERENCE
General disclosures	2-22	Statement on sustainable development strategy	Page 23
	2-23	Policy commitments	Pages 26 – 34
	2-24	Embedding policy commitments	Pages 26 – 34
	2-25	Processes to remediate negative impacts	NA
	2-26	Mechanisms for seeking advice and raising concerns	Pages 23 – 24, 30
	2-27	Compliance with laws and regulations	Page 37
	2-28	Membership associations	NA
	2-29	Approach to stakeholder engagement	Appendix 1
	2-30	Collective bargaining agreements	NA
Governance	Non-GRI	**Corporate governance**	Page 37
	Board composition		
	Non-GRI	Board independence	Page 38
	Non-GRI	Women on the board	Pages 38, 70
	Management diversity		
	Non-GRI	Women in management team/Diversity of governance bodies	Page 38
	Non-GRI	**Business ethics/anti-bribery**	Page 39
	Non-GRI	**Whistleblowing**	Page 39

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CATEGORY	GRI STANDARD	DISCLOSURE	REFERENCE
Social	**Employment**		
	401-1	New employee hires and employee turnover	Page 40
	Diversity and equal opportunity		
	405-1	Diversity of employees	Pages 41 – 42
	Occupational health and safety		
	Non-GRI	Occupational health and safety	Page 42
	403-9	Work-related injuries	Page 42
	Training and education		
	404-1	Average hours of training per year per employee	Page 43
	Non-GRI	**Customer satisfaction**	Page 43
	Customer privacy		
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 44
	Non-GRI	**Contribution to community**	Pages 44 – 45
Economic	**Economic performance**		
	201-1	Direct economic value generated and distributed	Page 45
Social	Non-GRI	**Sustainable procurement**	Page 46
Environment	**Materials**		
	301-1	Materials used by weight or volume	Page 46
	301-2	Recycled input materials used	Page 46
	Energy		
	302-1	Energy consumption within the organization	Pages 46 – 47
	302-3	Energy intensity	Page 47
	Emissions		
	305-2	Energy indirect (Scope 2) GHG emissions	Pages 47 – 48
	305-3	Energy indirect (Scope 3) GHG emissions	Page 48
	305-4	GHG emissions intensity	Pages 47 – 48

SUSTAINABILITY **REPORT**

APPENDIX 1

Stakeholder engagement process

a. Stakeholder identification

The following groups in Diagram 1 below have been identified as key stakeholders for the business of the Group:

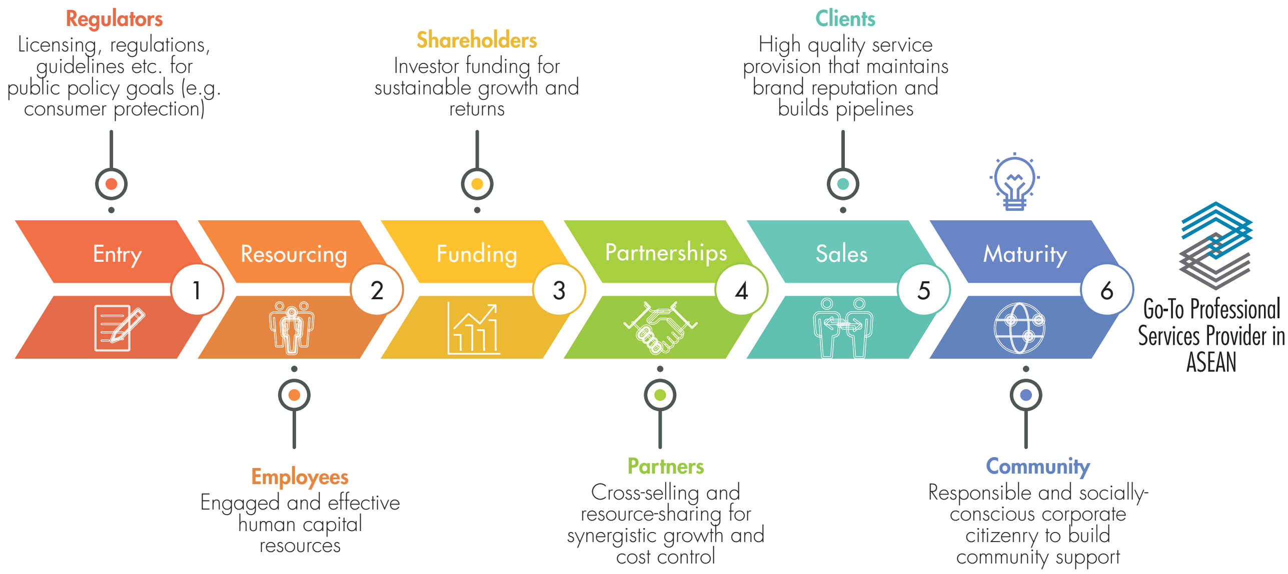

Diagram 1: Key stakeholders for the business of the Group

i. Entry

1. Upon the launching and continuation of business operations, **regulators** need to be engaged to obtain the necessary licenses while also complying with regulations, guidelines, standards etc. in order for market entry to succeed.

2. Four of the Group's business lines (i.e. trust, shariah advisory, corporate finance & capital markets, and asset & wealth management) are licensed businesses with stringent regulatory compliance requirements.

3. In addition to these business lines, the Group also provides legal services in Lao PDR, Thailand, and Myanmar according to relevant local laws and requirements.

4. Regulators seek, through policy levers and rulings, to achieve public policy goals including service quality, consumer protection, anti-corruption, data regulation, etc. This impacts the Group not only in terms of its licensed businesses but also in terms of its status as a publicly listed company.

ii. Resourcing

1. Human capital is a crucial resource for professional services organizations. Having engaged and effective **employees** is critical to the Group's success, and providing equal opportunities to all employees to succeed also helps ensure that key talent is retained.

2. On the flipside, employees have needs which are met by employers. Beyond adequate wages, the Group's employees depend on it to provide them with a safe, supportive, and non-discriminatory environment that is conducive to their growth as working professionals while also allowing for them to pursue other non-work related goals e.g. starting a family and staying healthy during a pandemic.

iii. Funding

1. Business expansion requires capital and a key source of this for ZICO has been **shareholder** funds.

2. Through its listing, ZICO leverages shareholder funds to invest in the Group's expansion into different business lines and different markets as it seeks to establish itself in the professional services sector.

3. In return, shareholders seek to enjoy returns from their investments. As a criteria for investment, shareholders would need to be confident in the governance policies and practices of the Group which ensure transparency, accountability, and sustainability of the business.

iv. Partnerships

1. Having strong **partnerships** acts as a multiplier for the Group's MDP platform. The Group works with a wide range of other advisory firms in the region for the purpose of cross selling its services across the spectrum of professional services demanded by clients. Both the Group and its partners gain from the increased pipeline.

2. ZICO will therefore need to ensure that it continues to maintain and manage close relationships with its collaborators and partner firms to further enhance the Group's presence and marketing channels as well as exposure to potential clientele.

v. Sales

1. As business advisors, the Group provides high quality professional services to meet the needs of its **clients**.

2. Maintaining high standards in the delivery of its services plays an important role in ensuring repeat business, client referrals, and overall brand reputation in the industry.

3. Of equal importance is the need for client data privacy given that the Group is privy to confidential client information due to the nature of its business. Such information is sacrosanct; must be adequately protected to ensure client interests are safeguarded and their confidence in the Group is not misplaced.

4. With the confidence of its clients assured, a sustainable business pipeline can be maintained while also providing opportunities for expansion as more clients benefit from the Group's range of services.

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vi. Maturity

1. As the Group's business grows, the impact of its activities on the wider **community** needs to be considered in order to meet societal expectations and demands for companies to go beyond the bottom line.

2. Reputational and image risks need to be managed and indeed, turned into advantages which can bolster the Group's branding and increase community support for its success e.g. more successful hiring and better talent retention.

3. Communities themselves can benefit from the Group's efforts in corporate social responsibility (CSR) that can range from environmental protection programmes (e.g. cutting back on paper usage and single-use plastics) to charitable engagements to aid the under-privileged.

b. Stakeholder engagement process

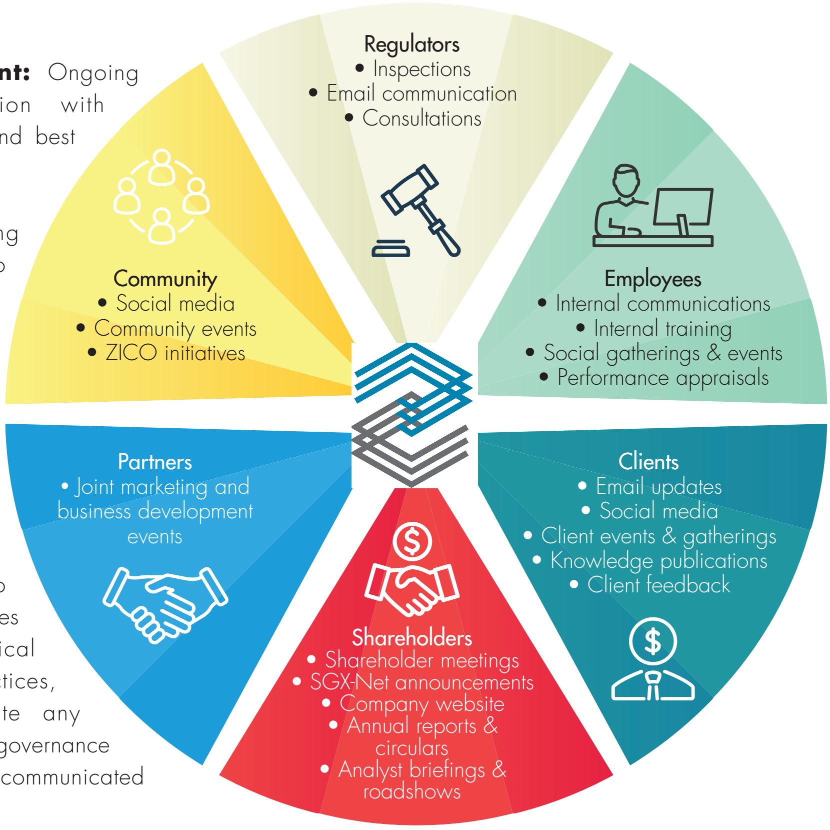
In order to ensure the sustainability of the Group's business and better understand the concerns of its stakeholders, the Group employs a range of engagement measures with each of them. The method of engagement with each relevant stakeholder group is set out below.

i. For Regulators

1. **Method of engagement:** Ongoing dialogue and consultation with regulators on governance and best practices.

2. The Group places strong emphasis on the need to ensure good governance given the highly regulated business environment within which the Group operates.

3. It is therefore important for the Group to collaborate with and maintain a continuous and ongoing dialogue with regulators, to ensure that the Group continues to build upon its technical knowledge and best practices, and address and mitigate any concerns, particularly from a governance perspective, which may be communicated from the regulators.



ii. For Employees

1. **Method of engagement:** The Group engages its employees through internal communication initiatives like surveys while also seeking to promote employee development through regular training sessions and performance appraisals. Employee engagement surveys are carried out annually and the first employee engagement survey was conducted in FY2023.

2. During festive occasions and/or company social gatherings, employees are also given the opportunity to interact with management and communicate any feedback they might have.

3. The Group recognises that employee wellbeing is paramount for its business, and the Group seeks to organise employee centred activities and initiatives to further engage with its employees and improve the social environment within its offices.

iii. For Shareholders

1. **Method of engagement:** Through seeking shareholder feedback during annual general meetings and by providing timely updates and announcements on the Group's website in addition to those on SGXNet.

2. Investors are welcome to attend shareholder meetings to interact with ZICO's Management and contribute to discussions on the Group's performance, sustainability, and future plans.

iv. For Partners

1. **Method of engagement:** Through joint marketing and business development events and initiatives which help the Group and its collaborators to understand each other's needs and capabilities which then eases future joint pitches to clients.

2. Based on feedback gathered from partners and collaborators, the Group shall continue to organise targeted joint marketing and business development events to further enhance the cross selling of services, not only within the Group, but also with third party collaborators and advisory firms.

v. For Clients

1. **Method of engagement:** Through client engagements in relation to ongoing projects, and via email updates on industry developments, Group services, and thought leadership articles and publications. Social media is another channel used to reach past and potential clients, and the Group's website serves also to update clients on Group services, events, and publications.

2. Regular client events and gatherings create face-to-face networking opportunities and facilitate deeper cooperation with the Group's clients. After each project, the Group also encourages clients to provide feedback via online survey to better understand their needs and concerns going forward and areas for improvement, if any.

3. In the course of the engagements with its clients, the Group has, in particular, identified the interests and concerns raised by its clients surrounding overall data governance and confidentiality of information. The Group has taken such concerns into consideration, and will continue to strengthen its overall data governance capability by consistently reviewing and updating the Group IT's policy, as well as reviewing document management options to introduce greater file security measures.

vi. For Community

1. **Method of engagement:** Community outreach is conducted through a variety of channels including social media, community events, and firm-wide initiatives.

2. The wider public may reach the Group through its social media channels like Instagram and LinkedIn where outreach efforts are publicized.

3. Community events are also held on a regular basis to support underserved and marginalised groups.

4. The Group has also taken the effort to hold its own initiatives to facilitate conversations and raise awareness on community issues like sexual harassment and female empowerment.

APPENDIX 2

Climate risk assessment

At ZICO, we acknowledge and dedicate ourselves to managing climate related risks, embracing it as both a challenge and an opportunity to foster innovation, fortify resilience, secure the enduring sustainability of our business, and generate value for our stakeholders.

Under the oversight of our Board of Directors with active participation from the Heads of Departments, we have conducted an assessment of climate-related risks affecting our organization. This assessment is aimed at pinpointing the key risks and opportunities from a climate-related perspective. Throughout this assessment, we are focused on aligning ourselves with the 2-degree scenario, serving as a benchmark for climate-related scenario analysis and business sustainability planning. Through this risk assessment, we have managed to identify material areas of risk related to the impact of climate change on our business operations and strategic plans.

To address these risks according to their respective time horizons, we have developed a range of strategies and initiatives aimed at reducing our environmental footprint and increasing our resilience to climate-related risks. Our progress shall be measured and benchmarked through specific metrics and targets which will be reviewed and updated annually. These analyses will also be incorporated into our financial planning and reporting processes to our stakeholders.

Transition Risk

Policy & Legal			
Risk Description	**Causes & Consequences**	**Horizon**	**Controls/Opportunities**
More stringent climate change regulations and ESG reporting requirements imposed by regulators	• Lack of updates/follow- up on the latest legal and regulatory requirements • Lack of resources and commitment to implement sustainability measures within the organisation • Operating in a heavily regulated and licensed industry with a range of professional services, non-compliance with regulatory requirements or directives by the relevant authorities may result in fines/penalties which will have negative effects on the reputation of the Company • Sponsors and internal auditors may express concerns over any potential non-compliance with the ESG reporting requirements	Short Term >= 1yr	• To achieve frequency of ESG committee meetings of at least 4x a year to ensure alignment with sustainability practices imposed by the regulators • Integration of Task Force on Climate related Financial Disclosure (TCFD) reporting requirements into the Company's reporting process • Implement internal audit on sustainability topics at least once per year • Regularly update and integrate the latest climate or sustainability-related guidelines and requirements into the Company's practices • Adopt sustainability target setting practices that take into account TCFD reporting
Growing awareness of environmental and climate issues will potentially lead to new reporting requirements. This may necessitate the implementation of updated or enhanced compliance solutions, resulting in increased operational expenses	Profit margins will decrease due to the implementation of new or upgraded compliance solutions to meet updated reporting requirements, leading to higher capital and operational costs for the business. Such costs could stem from the need to appoint external consultants to implement ESG processes and more time spent within the organization to ensure ongoing compliance.	Medium Term >1 yr and <5 yrs	• Pre-emptively strengthen ESG reporting standards to ensure alignment with industry trends • Continuous ESG training for heads of departments to ensure awareness and commitment towards an enhanced ESG framework • Continuous updates on achievement of ESG targets (including climate related targets) throughout the year at each ESG Committee meeting

SUSTAINABILITY REPORT

Market			
Risk Description	**Causes & Consequences**	**Horizon**	**Controls/Opportunities**
Failure to implement sustainability practices and comply with reporting requirements may affect the view of (1) clients; and (2) potential investors towards the Company	• Clients and investors are increasingly taking into account climate related practices when deciding whether to engage a service provider or whether to invest in a Company • Reduced demand for the Company's services and reduced ability to attract investors	Medium Term >1yr and <5yrs	• To ensure that the Company fully complies with any requirements imposed by the regulators including reporting in compliance with the TCFD guidelines • To fully integrate the TCFD framework into the Company's business operations and communicate the same to all business units • Regularly update and integrate the most recent climate or sustainability-related guidelines and requirements into the Company's practices • Compliance with reporting requirements and implementation of climate related measures within the organization will create a positive image for the Company amongst potential clients and investors
Lack of ESG considerations implemented by external vendors and suppliers may lead to decreased demand by clients for the Company's services	• This is not currently a significant risk faced by the Company as the Company operates in the professional services industry and there is reduced supply chain sustainability considerations • However, multinational companies and large corporations that comprise a significant portion of the Company's clients are increasingly focused on the implementation by their service providers of sustainability practices, including the implementation of sustainability practices amongst the vendors of such service providers • Failure to focus on sustainability practices may result in lower business revenue from international clients	Long Term >=5 yrs	• Work towards including ESG performance criteria in vendor screening process

Resilience Risk

Acute			
Risk Description	**Causes & Consequences**	**Horizon**	**Controls/Opportunities**
Based on our scenario analysis, rising sea levels in Singapore and Malaysia due to global warming may result in extreme weather occurrences, such as floods, which would have an indirect impact on our operating expenses (OPEX).	• Flash floods in Malaysia affecting employees who reside in flood prone areas. This may lead to business disruptions and unexpected delays if employees are unable to work during such occurrences • Employee safety would also be a prime concern for our organization • There may be electricity and/or water disruptions due to extreme weather events • Possible destruction of company property such as physical servers	Long Term >= 3yrs	• Migration to cloud servers to reduce impact of severe weather events on physical servers • Implementation of business continuity and disaster recover plans • Adequate insurance coverage • Training and fire drills provided to employees to increase employee awareness and safety • Continuous engagement with building management teams to ensure all information regarding building related risks is disseminated promptly and effectively

Resource Efficiency

Risk Description	Causes & Consequences	Horizon	Controls/Opportunities
Being a professional services Company, excessive use of paper may create wastage and is not environmentally friendly	• Inadequate awareness, training and engagement among employees regarding the Company's sustainability direction and policy on materials usage • Lack of awareness on the importance of recycling paper and there is no strict policy on recycling	Medium Term >1yr and <5 yrs	• Implementing targets for reduction of paper usage and communicating such targets to employees • Implementing tracking of all climate change related targets & amount of waste paper recycled • To target a baseline of 1% to 3% on reduction of paper consumption • Implement a system for proper documentation of materials and paper usage

SUSTAINABILITY REPORT

Risk Description	Causes & Consequences	Horizon	Controls/Opportunities
Limited avenues to reduce electricity usage and carbon emissions	• As a professional services company, the emissions from the business is predominantly from (1) electricity usage in the office and (2) emissions from business travel and employee commute • There may be limited opportunities to reduce energy and emissions continuously, particularly as the Company implements a work from office policy by default (with flexible working arrangements being approved on a case-by-case basis in accordance with the flexible work arrangement policy) • The Company can encourage employees to reduce travel for business purposes but as a service provider, its employees will often need to give priority to client preferences on the mode of meetings, increasing the possibility that business travel will be required	Medium Term >1yr and <5yr	• Encourage employees to adopt web based and video conferencing measures for meetings to reduce business travel requirements • Implement a green office initiative to encourage saving of electricity

At ZICO, sustainability is at the core of our values. To solidify our commitment, we are committed to incorporating sustainability objectives and targets into all aspects of our business operations. This ensures that we are able to react quickly to any changes in sustainability trends and climate change regulations that may be imposed in future. In doing so, we are able to aim for high impact sustainability practices and do our part in reducing greenhouse gas (GHG) emissions for a better and more sustainable future. We incorporate the values of transparency and accountability in our climate reporting framework and aim for continuous improvement in our ESG related efforts. We invite you to join us as we collectively contribute to building a more sustainable future together.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of ZICO Holdings Inc. (the "**Company**" and together with its subsidiaries and associated companies, the "**Group**") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 2023 ("**FY2023**"), with specific reference made to the principles of the Code of Corporate Governance 2018 (the "**Code**"), SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

COMPLIANCE STATEMENT

The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide. The Company did not adopt any alternative corporate governance practices in FY2023.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

Provision 1.1 and Provision 1.2

All Directors understand the business of the Company and the Group, as well as their directorship duties (including their roles as executive, non-executive and independent directors) and objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The executive directors are members of the Company's senior management ("**Management**") and are involved in the day-to-day running of the business. Their duties are to:

(a) provide insights to the Company's day-to-day operations, as appropriate;

(b) provide Management's views without undermining management accountability to the Board; and

(c) collaborate closely with non-executive directors for the long term success of the Company.

CORPORATE GOVERNANCE REPORT

The non-executive directors are not part of the Company's Management. They are not employees of the Company and do not participate in the Company's day-to-day management. Their duties are to:–

(a) be familiar with the business and stay informed of the activities of the Company;

(b) constructively challenge Management and help develop proposals on strategy;

(c) review Management's performance in meeting agreed goals and objectives; and

(d) participate in decisions on the appointment, assessment and remuneration of the executive directors and key management personnel generally.

The independent directors are non-executive directors who are deemed independent by the Board. They have the duties of the non-executive directors and additionally provide an independent and objective check on Management. In certain cases, the Catalist Rules require independent directors to make certain decisions and determinations. However, they should avoid focusing solely on the duties relating to compliance with rules. As with all directors, they are to act in the best interests of the Company as a whole and not of any particular group of shareholders or stakeholders.

The Board's principle functions include:

(a) To chart broad policies and strategies of the Company.

(b) To approve annual budgets and financial plans.

(c) To review and approve acquisitions and disposals.

(d) To approve material borrowings and fund raising exercises.

(e) To review performance and succession planning of the key management personnel.

(f) To advise and counsel key management personnel.

(g) To monitor and manage potential conflicts of interest between the key management personnel, the Board, and the shareholders.

(h) To establish a framework of prudent and effective controls which enables risks to be assessed and managed.

(i) To identify the key stakeholder groups, with the recognition that their perceptions affect the Company's reputation.

(j) To set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met.

(k) To consider sustainability issues, e.g., environmental and social factors, as part of its strategic formulation.

(l) To provide entrepreneurial leadership; and ensure that the necessary resources are in place for the Company to meet its strategic objectives.

(m) To set objectives and goals for Management, monitor the results, and assess and remunerate Management on its performance.

The Board has clear policies and procedures for dealing with conflicts of interest. Any director who is interested in any matter being considered recuses himself from deliberations and abstains from voting in relation to any such resolution(s) relating to such matter.

The Board works with the Management for the long-term success of the Company. The Management is accountable to the Board for the Group's performance.

To ensure proper accountability within the Group, the Board works with the Management to put in place internal controls governing employee's day-to-day conduct of the Group's business.

The Board's approval is required for certain matters, which include the following: *Provision 1.3*

(a) acquisitions and disposals of assets;

(b) material borrowings and fund raising exercises;

(c) share issuance and proposal of dividends;

(d) budgets, half-yearly and full-year financial results announcements, annual reports and audited financial statements; and

(e) interested person transactions.

This is communicated to Management in writing.

The Company formally communicates to each of the directors on their appointment and their roles, duties, obligations and responsibilities and the Company's expectations. This includes each director developing his competencies to effectively discharge his duties. *Provision 1.2 and Provision 4.5*

The Directors are provided with updates and/or briefings from time to time by professional advisers, the external and internal auditors, Management, the Continuing Sponsor, the Chief Risk Officer, and the Legal Manager in areas such as corporate governance practices, risk management matters, changes and updates in financial reporting standards and regulatory requirements and directors' duties and responsibilities.

CORPORATE GOVERNANCE REPORT

The Company also encourages the development and maintenance of the Directors' skills and knowledge. Where appropriate, the Company will arrange for training courses to supplement and keep Directors updated on areas such as accounting, legal, regulatory and industry-specific knowledge. The Company is responsible for funding the training of the Directors.

All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational offices and facilities and meet with key management personnel.

All newly appointed Directors are also required to attend the "Listed Company Director Essentials: Understanding the Regulatory Environment in Singapore – What Every Director Ought to Know" course conducted by the Singapore Institute of Directors.

The Board does not have a policy and criteria for directors' development. The Company will address the training and professional needs of any director on an ad-hoc basis.

The Board has delegated certain responsibilities to the Audit and Risk Committee (the "**ARC**"), the Remuneration Committee (the "**RC**"), and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). As at the date of this report the compositions of the Board Committees are as follows: *Provision 1.4*

Composition of the Board Committees			
	ARC	**NC**	**RC**
Chairman	John Lim Yew Kong	Yap Tien Wei[1]	John Lim Yew Kong
Member	Chew Liong Kim	John Lim Yew Kong	Chew Liong Kim
Member	Yap Tien Wei[1]	Chew Liong Kim	Yap Tien Wei[1]

(1) Yap Tien Wei was appointed as an Independent Director of the Company, Chairman of NC, and a member of ARC and RC with effect from 12 May 2023

Provision 1.5

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In FY2023, following the amendment to Rule 705(2) of the Catalist Rules effective on 7 February 2020, the Company has since then reported its financial statements on a half-yearly basis. The Board meets twice a year and as and when circumstances require.

During FY2023, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

Board and Board Committee Meetings in FY2023				
	Board	**ARC**	**NC**	**RC**
Number of Meetings Held	4	4	2	2
Name of Director	**Number of Meetings Attended**			
Dato' T. Jasudasen	2(1)	4	2	2
Chew Seng Kok	4	4*	2*	2*
Datuk Ng Hock Heng	4	4*	2*	2*
John Lim Yew Kong	4	4	2	2
Chew Liong Kim	4	4	2	2
Yap Tien Wei(2)	1	2	–	–

* By invitation.

(1) Dato' T. Jasudasen retired as a Director at the conclusion of the AGM held on 28 April 2023.

(2) Yap Tien Wei was appointed as an Independent Director of the Company, Chairman of NC, and a member of ARC and RC with effect from 12 May 2023.

The Company's Articles of Association ("**Articles**") allow meetings to be held through telephone and/or video-conference.

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The considerations in assessing the capacity of Directors include the following:

(a) expected and/or competing time commitments of Directors;

(b) geographical location of Directors;

(c) size and composition of the Board; and

(d) nature and scope of the Group's operations and size.

CORPORATE **GOVERNANCE REPORT**

The Management provides the Board with complete, adequate, and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and to discharge their duties and responsibilities. *Provision 1.6*

Types of Information Provided by Key Management Personnel to Independent Directors	**Frequency**
Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half yearly, and as and when relevant
Updates to the Group's operations and the markets in which the Group operates in	Half yearly and as and when relevant
Half yearly and full year financial results	Half yearly
Reports on on-going or planned corporate actions	As and when relevant
Enterprise risk framework and internal auditors' ("**IA**") report(s)	Half yearly
Research report(s)	As and when requested
Shareholding statistics	As and when requested

The Management also provides additional material or information that may be requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Management provides information in a timely manner.

Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The Board also has a procedure for Directors, in the furtherance of their duties, to take independent professional advice and at the Company's expense. *Provision 1.7*

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

(a) ensuring that Board procedures are observed and that the Company's memorandum and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, the Labuan Companies Act 1990, the Catalist Rules and the Monetary Authority of Singapore, are complied with;

b) assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;

(c) assisting the Chairman to ensure good information flows within the Board and the Board Committees and key management personnel;

(d) designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;

(e) attending and preparing minutes for all Board meetings;

(f) coordinating and liaising between the Board, the Board Committees and key management personnel; and

(g) assisting the Chairman, the chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this annual report, the Board comprises the following members.

Provision 2.1 and Provision 2.2

Name of Director	Designation	Date Appointed
Mr John Lim Yew Kong	Independent Director and Chairman (with effect from 28 April 2023)(1)	7 August 2014
Datuk Ng Hock Heng	Executive Director and Group CEO	9 December 2010
Mr Chew Seng Kok	Executive Director	9 December 2010
Mr Chew Liong Kim	Non-Independent Non-Executive Director	7 August 2014
Mr Yap Tien Wei	Independent Director	12 May 2023
Dr. Veerinderjeet Singh A/L Tejwant Singh(2)	Independent Director	8 April 2024
Mr Mohamed Nasser Bin Ismail(2)	Independent Director	8 April 2024
Ms Shweta Nandy(2)	Non-Independent Non-Executive Director	8 April 2024

* .

(1)_ Mr John Lim Yew Kong was redesignated as the Board Chairman with effect from 28 April 2023

(2) The new Directors were appointed in light of the retirement of the incumbent Directors namely Mr John Lim Yew Kong, Mr Chew Liong Kim and Mr Yap Tien Wei, at the upcoming AGM to be held on 27 April 2024 and to facilitate a seamless transition between the new and departing Board members.

During the period of FY2023, after the retirement of Dato' T. Jasudasen at the AGM of the Company held on 28 April 2023, there were 2 Board members, namely, Mr John Lim Yew Kong and Mr Yap Tien Wei, who were independent in accordance with Provision 2.1 of the Code ("**Independent Directors**"). Mr John Lim Yew Kong is the Independent Chairman of the Company.

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Provision 2.1 provides that an "independent" Director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Annually and during the financial year under review, the Independent Directors submit declarations on their independence to the NC for assessment. The NC, in its deliberation of the independence of a Director, as part of the annual review process, takes into consideration the relevant provisions of the SGX-ST Catalist Rules, the 2018 Code and where relevant, the recommendations set out in the Practice Guidance accompanying the 2018 Code ("**Practice Guidance**"). The NC is satisfied that there are no relationships or circumstances which are likely to affect the Independent Directors' objective and independent judgement. The Board has, upon the NC's recommendation, affirmed that both Independent Directors are independent as contemplated by the Catalist Rules and 2018 Code.

The Company does not have any alternate directors.

As at the date of this annual report, the majority of the Board members are Non-Executive Directors, i.e., Mr John Lim Yew Kong, Mr Yap Tien Wei, Mr Chew Liong Kim, Mr Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh A/L Tejwant Singh and Ms. Shweta Nandy, in compliance with Provision 2.3 of the Code. The Non-Executive Directors constructively challenge and assist in the development of business strategies, review the Management's performance against set targets, and monitor the reporting of the performance. *Provision 2.3*

The Non-Executive Directors and/or Independent Directors, led by the Independent Chairman or other independent chairman as appropriate, have met several times in FY2023 prior to each of the Company's half-yearly ARC and Board of Directors' meetings in the absence of key management personnel. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. *Provision 2.5*

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. *Provision 2.4*

During the financial year under review, the Company formalised and maintained a Board Diversity Policy that addresses diversity in terms of experience, skills, talents, business experiences, industry discipline, tenure of service, gender, ethnicity, age, tenure, and other distinguishing qualities, as well as any other relevant aspects of diversity. The Board Diversity Policy also sets out the approach which the Company takes towards diversity on its Board.

The Company recognises the need and benefits of embracing diversity at the Board level to enhance the Board's stewardship and decision-making capabilities through perspectives derived from these diversities of its directors.

This is reflected in the current Board composition, which provides a diversity of skills, experience and knowledge to the Company as follows:

Balance and Diversity of the Board				
Core Competencies	**Number of Directors***	**Proportion of Board***	**Number of Directors#**	**Proportion of Board#**
Accounting or finance	4	50%	2	40%
Business management	8	100%	5	100%
Legal or corporate governance	4	50%	4	80%
Relevant industry knowledge or experience	8	100%	5	100%
Strategic planning experience	8	100%	5	100%
Customer-based experience or knowledge	8	100%	5	100%

The Board has taken the following steps to maintain or enhance its balance and diversity:

(a) by assessing the existing attributes and ensuring that core competencies of the Board are complementary and enhance the efficacy of the Board; and

(b) by evaluating the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

The Board will seek to incorporate diversity aspects as and when the opportunity arises, instead of adhering to a fixed timeline for diversity targets. The Board will ensure that it has the flexibility to improve its diversity without compromising board efficiency. The NC will deliberately determine, from time to time, the results of its review on rejuvenating and refreshing the Board composition in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors bearing in mind the salient factors set out under the provisions in the Code as well as all other relevant circumstances.

The Board has reviewed its size and is of the opinion that its size (taking into consideration the number of directors after the retirement of Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap at the upcoming Annual General Meeting on 27 April 2024) is appropriate to facilitate effective decision-making.

* Taking into account the newly appointed directors, Mr. Mohamed Nasser Bin Ismail, Dr. Veerinderjeet Singh and Ms. Shweta.

\# Taking into account the number of directors after the retirement of Mr. John Lim Yew Kong, Mr. Chew Liong Kim and Mr. Jonathan Yap at the upcoming Annual General Meeting on 27 April 2024.

CORPORATE GOVERNANCE REPORT

The Board, taking into account the views of the NC, considers that the current Board composition comprises a balance and mix of skills, experiences and individual attributes which promote the effectiveness of the Board as a whole and that of its Board committees. As at the date of this Annual Report, the Board has achieved its diversity targets including gender diversity, with the appointment of Ms Shweta Nandy as a Director of the Company on 8 April 2024. While the NC is aware of the merits of gender diversity in the Board composition, the NC notes that it is only one of the many aspects of diversity. The NC will continue to make its selection of candidates based on objective criteria which it believes in the best interest of the Company. In relation to skills and experience, the Directors have wide ranging backgrounds and professional experience. In relation to age and tenure, the ongoing Board renewal and refreshment process is phased to ensure that the Company has a group of independent Directors whose ages and tenures span across different groups.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and Group Chief Executive Officer are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. *Provision 3.1*

The Chairman oversees the business of the Board. He leads the Board discussions, ensures that Board meetings are convened when necessary, and facilitates the effective contribution of the Non-Executive Directors in particular. He sets the Board's meeting agenda in consultation with the Group Chief Executive Officer and ensures the quality, quantity, and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision-making. The Chairman also assumes the lead role in promoting a culture of openness and debate at Board meetings and high standards of corporate governance. He also ensures effective communication with shareholders. *Provision 3.2*

The Group Chief Executive Officer takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He also oversees the execution of the business and corporate strategy decisions made by the Board.

The Company did not appoint a lead independent director in FY2023 as the Chairman is an Independent Director, and the Chairman and the Group Chief Executive Officer are not related. *Provision 3.3*

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Company has established an NC, which comprises the following members. As at the date of this annual report, the chairman of the NC, Mr Yap Tien Wei and Mr John Lim Yew Kong are Independent Directors, whereas Mr Chew Liong Kim is a Non-Independent Non-Executive Director. *Provision 4.2*

Chairman	Yap Tien Wei
Member	John Lim Yew Kong
Member	Chew Liong Kim

NC's Key Terms of Reference *Provision 4.1*

The NC is guided by the key terms of reference below:

(a) establish criteria of new appointees to the Board;

(b) review and recommend the re-appointment of Directors having regard to the Directors' contribution and performance;

(c) determine on an annual basis whether a Director is independent;

(d) review and recommend to the Board the succession plans for the Directors, Chairman and the Managing Director; and

(e) review and recommend to the Board the training and professional development programs for the Board.

Provision 4.3 and Provision 4.5

Process for the Selection and Appointment of New Directors		
1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge/gender to complement and strengthen the Board and increase its diversity.
2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.
3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.
4.	Appointment of director	The NC would recommend the selected candidate to the Board for consideration and approval.

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In its search and nomination process for new Directors, the NC may rely on search companies, personal contacts, and recommendations for the right candidates. The NC would ensure that new directors are aware of their duties and obligations.

Provision 4.3

Process for the Re-election of Incumbent Directors		
1.	Assessment of director	The NC would assess the performance of the director in accordance with the performance criteria set by the Board. The NC would also consider the current needs of the Board.
2.	Re-appointment of director	Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles, at least one-third of the Board (including the Managing Director and Executive Directors) are to retire from office by rotation and be subject to re-election at the Annual General Meeting ("**AGM**") of the Company. Additional Directors appointed by the Board after the AGM but during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Directors who are retiring at the forthcoming AGM pursuant to the respective Articles are as follows:

Name of Director	**Designation**	**Article**
Chew Liong Kim	Non-Independent Non-Executive Director	97
Datuk Ng Hock Heng	Executive Director and Group CEO	97
Yap Tien Wei	Independent Director	101
Dr. Veerinderjeet Singh A/L Tejwant Singh	Independent Director	101
Mr Mohamed Nasser Bin Ismail	Independent Director	101
Ms Shweta Nandy	Non-Independent Non-Executive Director	101

Mr Chew Liong Kim who will be retiring by rotation at the upcoming AGM pursuant to Article 97 has given notice to the Company that he is not seeking for re-election, to facilitate the Board renewal in line with good governance practice and to allow for more time to focus on his other commitments. Mr. Chew Liong Kim will concurrently relinquish his positions as the member of the Audit and Risk Committee, Remuneration Committee and Nominating Committee.

Mr Yap Tien Wei who will be retiring at the upcoming AGM pursuant to Article 101 has given notice to the Company that he is not seeking for re-election. This decision is made to mitigate potential conflicts of interest between his role as the Chief Executive Officer and Registered Officer in Northwaters Capital Pte. Ltd., a firm that provides licensed fund management services and the directorship in the Company. This decision has also been made as the Company's subsidiary, ZICO Asset Management Pte. Ltd, is strategically pivoting from External Asset Management (EAM) business model to asset and fund management business in Singapore. The similarity in the business model between Northwater Capital Pte. Ltd. and ZICO Asset Management Pte. Ltd. could pose potential conflicts of interest, especially concerning potential target clients. Mr. Yap Tien Wei will concurrently relinquish his positions as the Chairman of Nominating Committee and the member of Audit and Risk Committee and Remuneration Committee.

Mr John Lim Yew Kong has served as an Independent Director of the Company for more than nine years from the date of his first appointment, on 7 August 2014. In the spirit of good corporate governance, and to facilitate the Board renewal, Mr John Lim will retire as a Director at the upcoming AGM. His retirement is also in compliance with Rule 406(3)(d) of the Catalist Rules which took effect from 1 January 2023, where a director who has been a director of the company for an aggregate period of more than 9 years (whether before or after listing) may continue to be considered independent until the conclusion of the next annual general meeting of the Company for the financial year ending on or after 31 December 2023. Upon retirement, Mr John Lim will also relinquish his positions as the Chairman of the Board, ARC and RC and a member of the NC at the conclusion of the AGM. Mr. John Lim will concurrently relinquish his positions as the Independent Chairman of the Audit and Risk Committee and Remuneration Committee and a member of the Nominating Committee.

In light of the retirements of the incumbent Directors mentioned above, as announced by the Company's via the announcement(s) released to the SGXNet on 8 April 2024, the Company had appointed Dr. Veerinderjeet Singh A/L Tejwant Singh, Mr Mohamed Nasser Bin Ismail and Ms Shweta Nandy as new Directors of the Company on 8 April 2024 ("**Incoming Directors**"), The appointment of the Incoming Directors demonstrates the Company's commitment to preserving continuity and facilitating a seamless transition the between the incoming and departing Directors.

As at the date of this annual report, the Company has complied with the relevant Catalist Rules and the Code on its Board membership and composition.

Datuk Ng Hock Heng, Dr. Veerinderjeet Singh A/L Tejwant Singh, Mr Mohamed Nasser Bin Ismail and Ms Shweta Nandy will be seeking re-election at the upcoming AGM. Please refer to pages 94 to 105 of this annual report for information pursuant to Rule 720(5) of the Catalist Rules on the Directors who are retiring at the forthcoming AGM pursuant to the respective Articles and are to be nominated for re-elecion.

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The independence of Directors are reviewed by the NC annually, and as and when circumstances require, having regard to the circumstances under Provision 2.1 of the Code. *Provision 4.4*

The NC has, during FY2023, reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code. The Board has determined, taking into account the views of the NC, that each of the Independent Director is independent in character and judgment. There are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgments.

Directors would disclose to the Board, their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. There is no Director who has a relationship as stated in the Code that would otherwise deem him not to be independent and therefore requiring the Company to determine his independence.

The NC has reviewed and is satisfied that each Director has adequately discharged their duties and has contributed effectively and demonstrated commitment to their respective roles including their commitment of time for the Board and Board Committee meetings, attention given to the Company's affairs and any other duties in FY2023. *Provision 4.5*

As at the date of this annual report, there is one Independent Director who has served the Company for more than 9 years.

The Board has not capped the maximum number of listed company board representations each Director may hold. Where a Director holds a significant number of directorships and principal commitments, the NC will assess his/her ability to diligently discharge his/her duties.

The Board and NC have considered the practicality of multiple directorships and principal commitments. The NC is of the view that the effectiveness of each Director is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his or her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

Each member of the NC abstains from voting on any resolution and making any recommendation and/or participating in respect of matters in which he is interested.

The key information of the Directors, including their appointment dates, their listed company directorships and principal commitments held in the past 3 years (if any), are set out on pages 15 to 18 of this annual report.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board and its Board Committees, are set out below. *Provision 5.1*

Board's and Board Committees' Performance Criteria

The performance criteria for the evaluation of the Board and Board Committees are as follows:

(a) size and composition;

(b) independence;

(c) effectiveness in its monitoring role and attainment of the strategic and long-term objectives;

(d) information and accountability;

(e) the Board's performance in relation to discharging its principal functions; and

(f) the Board's committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

Individual Director's Performance Criteria

Individual director's performance is evaluated annually and informally by the NC and the Chairman. In assessing the individual director's performance, the NC takes into consideration the following performance criteria:

(a) interactive skills (whether the director works well with other directors and participates actively);

(b) knowledge (the director's industry and business knowledge, functional expertise, whether the director provides valuable inputs, the director's ability to analyse, communicate and contribute to the productivity of meetings, and understanding of finance and accounts, are taken into consideration);

(c) director's duties (the director's Board Committee work contribution, whether the director takes his role as director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into account);

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(d) availability (the director's attendance at Board and Board Committee meetings, whether the director is available when needed, and his informal contribution via email, telephone, written notes, etc. are considered);

(e) overall contribution, bearing in mind that each director was appointed for his strength in certain areas which taken together provides the Board with the required mix of skills and competencies; and

(f) willingness and ability to constructively challenge and contribute effectively to the Board.

The Board uses the guidelines in the Code as a basis for evaluation of director's performance, hence does not use peer comparisons and other objective third party benchmarks.

The NC assesses the performance and effectiveness of the Board as a whole and the Board Committees as well as the contribution of individual Directors to the effectiveness of the entire Board. The evaluation exercise is carried out annually by way of a Board Performance Evaluation checklist, which is circulated to the Board members for completion and thereafter the NC to review and determine the actions required to ensure continuous improvement of the corporate governance of the Company and effectiveness of the Board as a whole and the Board Committees. *Provision 5.2*

The performance of each Director is evaluated annually using agreed criteria, aligned as far as possible with appropriate corporate objectives.

Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

The NC is satisfied that the Board as a whole and Board Committees have met the performance evaluation criteria and objectives in FY2023, and each Director has contributed effectively and demonstrated commitment to their respective roles, including commitment of time for the Board and Board Committee meetings, and any other duties.

The Board has not considered the use of external facilitators as it is of the view that the NC has a sufficient level of objectivity in its evaluation process.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Company has established an RC, which considers all aspects of remuneration, including termination terms, to ensure that they are fair. *Provision 6.3*

During FY2023, the RC comprised the following members, of whom the Chairman (Mr John Lim Yew Kong) and Mr Yap Tien Wei are Non-Executive Independent Directors, whilst Mr Chew Liong Kim is a Non-Independent Non-Executive Director. *Provision 6.2*

Chairman	John Lim Yew Kong
Member	Yap Tien Wei
Member	Chew Liong Kim

RC's Key Terms of Reference *Provision 6.1*

The RC is guided by key terms of reference as follows: *Provision 8.1*

(a) review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel;

(b) review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and

(c) review and recommend on the compensation arrangements for the loss or termination of office, or dismissal or removal of the Executive Directors and key management personnel.

The Company did not engage any remuneration consultant in FY2023. *Provision 6.4*

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Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Company's remuneration policy for the Board and key management personnel seeks to attract, retain and motivate talent to achieve the Company's business vision and long-term success, and to create sustainable value for its stakeholders, in alignment with the interests of shareholders and other stakeholders. *Provision 7.1*

The policy is tailored to the specific role and circumstances of each director and key management to ensure an appropriate remuneration level and mix that recognises their performance, potential and responsibilities.

The policy articulates to staff the link on total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

The Non-Executive Directors' remunerations are appropriate to their level of contribution, after taking into account their contribution, effort and time spent, and responsibilities. They are not over-compensated, such that their independence is compromised. The Non-Executive Directors are granted share awards under the ZICO Holdings Performance Share Plan ("**PSP**") (see section below).

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2023. Their remuneration comprises fixed and variable compensations. The fixed compensation consists of an annual base salary and AWS. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives. *Provision 7.1, Provision 7.2, Provision 7.3 and Provision 8.1*

The Company has adopted a policy that allows the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances, including for example, a misstatement of financial results or misconduct resulting in financial loss to the Company. *Provision 8.1*

CORPORATE GOVERNANCE REPORT

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	**Short-Term Incentives** (such as performance bonus)	**Long-Term Incentives** (such as Employee Share Option Scheme and PSP)
Executive Directors		
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Cross selling or internal process improvements – measures mutual support and synergies across business units 2. Mentoring – measures ability to support the development of future leaders 3. Professional development and reputation – incentivises the constant upgrading of skills critical to the success of the Group 4. External/internal client satisfaction – measures overall ability to serve key accounts
Quantitative	1. Growth of pre-tax profit	None

CORPORATE GOVERNANCE REPORT

Key Management Personnel		
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors	1. Cross selling or internal process improvements – measures mutual support and synergies across business units 2. Mentoring – measures ability to support the development of future leaders 3. Professional development and reputation – incentivises the constant upgrading of skills critical to the success of the Group 4. External/internal client satisfaction – measures overall ability to serve key accounts
Quantitative	None	None

Information on the Company's Employee Share Option Scheme and PSP are set out on in pages 107 to 111 of this annual report. *Provision 8.3*

The RC has reviewed the performance of the Directors and key management personnel and is satisfied that these performance conditions were met in FY2023.

Principle 8: Disclosure on Remuneration

Disclosure of Relationships between Remuneration, Performance and Value Creation

For FY2023, the Board does not have a comprehensive written policy that details the relationships between remuneration, performance and value creation. The Company may consider putting such written policy in place in the near future as part of the group-wide corporate governance improvement initiative.

The Board however opines that the current remuneration framework has the end objective of value creation for its stakeholders and shareholders. Governance of the process of formulating remuneration policies is as specified in Principle 6 above. Since FY2018, the Group has adopted a policy that allows reclaiming of incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances as specified in Principle 7 above. In addition, as part of the qualitative assessment of the Executive Directors and key management personnel, the RC and the Board have authority to adjust their variable bonus with respect to enterprise value creation and enterprise risk management for the year under review.

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Details of the remuneration paid to the Directors for FY2023 are as follows:

Provision 8.1 and Provision 8.3 – Deviation

Name	Salary (%)[1]	AWS (%)[1]	Bonus (%)	Directors Fees (%)	Total (%)
S$250,001 to S$500,000					
Chew Seng Kok	83	7	0	10	100
Datuk Ng Hock Heng	85	7	0	8	100
Below S$250,000					
Dato' T. Jasudasen	–	–	–	100	100
John Lim Yew Kong[2]	–	–	–	100	100
Chew Liong Kim	–	–	–	100	100
Yap Tien Wei	–	–	–	100	100

(1) The salary and AWS amounts shown are inclusive of Malaysia Employees Provident Fund.

(2) Mr John Lim Yew Kong received director's fees from the Company's subsidiaries, namely, ZICO Capital Pte. Ltd. and ZICO Asset Management Pte. Ltd.

CORPORATE **GOVERNANCE REPORT**

In FY2023, no stock options were granted to the Directors.

In FY2023, there were no share awards granted and no shares were vested or issued to the Directors pursuant to the performance share plan of the Company.

There were no termination, retirement and post-employment benefits granted to Directors and key management personnel in FY2023.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment.

As at the date of this annual report, the Company has only 1 top key management personnel following the retirement of Mr Paul Subramaniam, Chief Risk Officer of the Company on 1 March 2024. *Provision 8.1 and Provision 8.3*

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the Managing Director) in FY2023 was as follows:

Name	**Salary (%)**[1]	**AWS & Bonus (%)**[1]	**Total (%)**
Below S$250,000			
Paul Subramaniam	90	10	100
Adeline Cheah Li Meng	87	13	100

(1) The salary, AWS and bonus amounts shown are inclusive of Malaysia Employees Provident Fund.

In FY2023, no stock options were granted to the key management personnel.

The total remuneration paid to the 2 top key management personnel in FY2023 was SGD505,118.

There were no employees of the Company or its subsidiaries who were immediate family members of any Director, the Managing Director or a substantial shareholder of the Company and whose remuneration exceeded S$100,000 during FY2023. During the year, there were no employees who were substantial shareholders of the Company. *Provision 8.2*

The Company complies with Practice Guidance 8 of the Practice Guidance to the Code of Corporate Governance 2018 on the relationship between remuneration, performance and value creation.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board determines the Company's levels of risk tolerance and risk policies, oversees Management in the design, implementation and monitoring of risk management and internal control systems. *Provision 9.1*

The Board reviews at least annually the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology control, either internally or with the assistance of competent third parties. The Board delegates risk governance to the ARC.

The Company has a Chief Risk Officer ("**CRO**"), Mr Paul Subramaniam, who handles risk issues, except financial risk which is dealt with directly by the ARC in conjunction with the Chief Financial Officer ("**CFO**"). The CRO also oversees the compliance function of licensed subsidiaries, through their Compliance Officers and the Group's Compliance Services. The CRO works with the business units of the Group to identify, measure, and monitor the various key and emerging compliance risks of the Group and provides a report to the ARC at each ARC meeting. The report sets out the issues and proposed solutions for the governance and management of the risks. The legal risks of the Group is managed by the Legal department of the Group. The Board is in charge of the Group's enterprise risk. Following the retirement of Mr. Paul Subramaniam on 29 February 2024, the functions and responsibility of the CRO will be overseen and managed by the current Head of Compliance Services, who will ensure continuity until a suitable replacement is identified. In recognition of Mr. Paul Subramaniam's expertise and contributions, the Company is engaging him as a consultant on a contract basis, wherein he will provide valuable guidance and support to the Group during the interim period until replacement has been identified. *Provision 9.2*

The Board with the concurrence of the ARC is of the view that the Company's internal controls (addressing financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2023.

The bases for the Board's view are as follows:

(a) assurance has been received from the Group Chief Executive Officer ("**CEO**") and CFO that the financial statements in respect of FY2023 give a true and fair view of the Company's operations and finances;

(b) internal controls established and maintained by the Group, work performed by the IA and external auditors ("EA"), and reviews performed by the key management personnel and the Board;

CORPORATE **GOVERNANCE REPORT**

(c) report received from the IA on the audit findings and significant matters highlighted to the ARC and key management personnel were appropriately addressed;

(d) assurance has been received from the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems;

(e) key management personnel regularly evaluates, monitors and reports to the ARC on material risks; and

(f) discussion held between the ARC and EA in the absence of the key management personnel to review and address any potential concerns on 27 February 2024.

The Board has relied on the independent auditors' report as set out in this annual report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances.

The Board has additionally relied on reports from its internal auditors ("**IA reports**") issued to the Company since FY2015, including the IA report issued to the Company by CLA Global TS Risk Advisory Pte Ltd for FY2023, as assurances that the Company's risk management and internal control systems are effective.

The Company has implemented appropriate policies and programmes on sustainability.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

As at the date of this annual report, the Company has an ARC which comprises the following members. The chairman of the ARC (John Lim Yew Kong) and Yap Tien Wei are Independent Directors, whereas Mr Chew Liong Kim is a Non-Independent Non-Executive Director. Mr John Lim Yew Kong is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales. Mr Chew Liong Kim is a Fellow of the Chartered Accountants of Australia and New Zealand. He is also a Public Accountant of the Malaysian Institute of Accountants. *Provision 10.2*

Chairman	John Lim Yew Kong
Member	Yap Tien Wei
Member	Chew Liong Kim

ARC's Key Terms of Reference

Provision 10.1

The ARC is guided by the key terms of reference below:

(a) review the assurance from CEO and CFO in financial records and financial statements, review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board for approval;

(b) review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management system (such review can be carried out internally or with the assistance of any competent third parties);

(c) review the effectiveness and adequacy of the Group's internal audit function, at least on an annual basis;

(d) review the scope and results of the external audit, and the adequacy, effectiveness, independence and objectivity of the external auditors;

(e) recommend to the Board on proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(f) review the system of internal controls and management of financial risks with the internal and external auditors;

(g) review the co-operation given by the management to the external auditors and the internal auditors, where applicable;

(h) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, including such amendments made thereto from time to time;

(i) review and approve interested person transactions and review procedures thereof;

(j) review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;

CORPORATE **GOVERNANCE REPORT**

(k) review the risk management framework, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;

(l) investigate any matters within its terms of reference;

(m) review the policy and arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and

(n) undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The ARC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation. *Provision 10.3*

Messrs PKF-CAP LLP ("**PKF-CAP**"), an audit firm registered with the Accounting and Corporate Regulatory Authority, was appointed as the external auditors of the Group since the Company's extraordinary general meeting on 6 October 2022. Mr Lee Eng Kian is the audit partner in charge assigned to the audit of the Group. *Provision 10.1*

The ARC has not considered the Audit Quality Indicators Disclosure Framework ("**Framework**") in its entirety in the appointment and reappointment of PKF-CAP, as the adoption of the Framework is voluntary. The ARC's consideration of PKF-CAP as the external auditors of the Group is based on the Company's internal criteria, which include costs, quality and scope of audit, and adequacy of the resources, experience and reputation of the audit firm.

Fees Paid/Payable to the EA for FY2023		
	S$	**% of total**
Audit fees	S$182,185	100.0
Non-audit fees	–	–
Total	**S$182,185**	**100.0**

The ARC has reviewed the audit services provided by the EA and is satisfied that the EA is independent and has recommended the re-appointment of PKF-CAP as the external auditors of the Company at the forthcoming AGM. There were no non-audit services rendered during FY2023. The Company is in compliance with Catalist Rules 712 and 715.

CORPORATE GOVERNANCE REPORT

The Company's internal audit function is outsourced to CLA Global TS Risk Advisory Pte Ltd (formerly known as Nexia TS Risk Advisory Pte. Ltd.) that reports directly to the ARC Chairman and administratively to the Managing Director. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The ARC is satisfied that CLA Global TS Risk Advisory Pte Ltd is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively. *Provision 10.4*

The Company cooperates fully with the IA in terms of allowing unfettered access to all the Company's documents, records, properties and personnel, including the ARC.

The ARC meets with the EA and the IA at least once a year without the presence of the Management to review any matter that might be raised. *Provision 10.5*

The Company has a whistle-blowing policy. The whistle-blowing policy sets out the Company's framework to promote responsible and secure whistleblowing by affording protection to the whistleblower against detrimental and unfair treatment. Unless required by law, the identity of the whistleblower will be kept in strict confidence. The ARC is responsible for oversight and monitoring of whistleblowing. The Company's staff and any other persons may in confidence raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to the CRO, Mr Paul Subramaniam who will investigate whistleblowing reports made in good faith. Following the retirement of Mr. Paul Subramarian on 29 February 2024, the functions and responsibility of the CRO will be overseen and managed by the current Head of Compliance Services, who will ensure continuity until a suitable replacement is identified. In recognition of Mr. Paul Subramarian's expertise and contributions, the Company is engaging him as a consultant on a contract basis, wherein he will provide valuable guidance and support to the Group during the interim period until replacement has been identified. Any whistleblowing report can be directed to whistleblower@zicoholdings.com. *Provision 10.1*

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

CORPORATE GOVERNANCE REPORT

Principle 12: Engagement with Shareholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Company adopts a policy that allows for an ongoing exchange of views with shareholders and which actively engages and promotes regular, effective, and fair communication with them. *Provision 12.2*

The AGM is a principal forum for dialogue and interaction with all shareholders. All shareholders of the Group receive the annual report. They also receive circulars and notices of all shareholders' meetings. The notices are advertised in the newspapers and made available on both SGXNET and on the Company's corporate website. The Company may consider providing longer notice for meetings, especially when dealing with complex transactions, or if the Company has numerous overseas shareholders. The Company would use its best endeavours to avoid scheduling meetings during peak periods. *Provision 11.1 and Provision 12.1*

If any shareholder is unable to attend, the Articles allow the shareholder to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance, at least 48 hours prior to the meeting. Attendance by proxies is allowed as stipulated in the Articles.

The Company's Articles allow for absentia voting. However, as the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided not to implement voting in absentia by mail, email or fax until issues on security and integrity are satisfactorily resolved. *Provision 11.4*

All Directors, Management, Company Secretary, EA and Continuing Sponsor attend the general meetings. The Company requires all Directors (including the respective Chairman of the Board Committees) to be present at all general meetings of shareholders for the entire duration, except in the case of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. *Provision 11.3*

The entire Board, including the Chairman, was present at the AGM of the Company held on 28 April 2023.

CORPORATE GOVERNANCE REPORT

Separate resolutions on each distinct issue are tabled at general meetings unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company would explain the reasons and material implications in the notice of meeting. The procedures of general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the shareholders with the Directors on their views on matters relating to the Company. *Provision 11.2*

The Group encourages shareholder participation at general meetings. Shareholders' views are sought at general meetings via question and answer sessions. They are given the opportunity to air their views and ask the Board and Management questions regarding the proposed resolutions as well as the business and affairs of the Company and the Group. *Provision 12.1*

The Company will conduct poll voting for all resolutions to be passed at all general meeting of shareholders and the detailed results will be announced via SGXNET after the conclusion of the general meeting. *Provision 11.2*

All minutes of general meetings will be made available to shareholders upon their request after the general meeting. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. *Provision 11.5*

Conduct of forthcoming AGM by way of electronic means

The Company's forthcoming AGM to be held on 27 April 2024 will be held as a physical meeting. Printed copies of the notice of AGM and proxy form ("**AGM documents**") will be sent to the members. Printed copies of this annual report, will NOT be sent to the members but they are available to members through electronic means via publication on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements or under the "Newsroom and Press Releases" tab of the Company's corporate website at www.zicoholdings.com.

The minutes of the AGM will be published within one month after the AGM on SGXNET and on the Company's corporate website. The Directors and the Company's statutory auditors will be attending the AGM and their attendance and right to be heard will be satisfied by electronic means.

CORPORATE GOVERNANCE REPORT

Apart from general meetings, the Company communicates with shareholders through the release of announcements to the SGX-ST through SGXNET, including the Company's financial results announcements, which are published through the SGXNET on a half-yearly basis. *Provision 12.1 and Provision 12.3*

The Company updates shareholders on its corporate developments through its corporate website at www.zicoholdings.com. Shareholders may make enquiries with the Company via the contact information published on this corporate website.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to, inter alia, the Group's level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and expansion plans, working capital requirements and general financing condition, and any restrictions on payment of dividends imposed by the Group's financing arrangements. *Provision 11.6 – Deviation*

The Board has not declared or recommended for FY2023, as key management personnel is of the view that it can better use the cash to invest in new business opportunities to grow the Group at this juncture.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The Company's stakeholder identification and engagement process was set out in the Company's sustainability report for FY2022, which was published on 30 May 2023. The Company's strategy and key areas of focus in managing stakeholder relationships were also set out in the sustainability report. *Provision 13.1 and Provision 13.2*

There has been no change to the aforesaid stakeholder engagement process and strategy for FY2023. This will be similarly reflected in the Company's sustainability report for FY2023 which is issued together with this annual report.

Stakeholders may communicate with the Company via the contact details available on its corporate website at www.zicoholdings.com. *Provision 13.3*

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH APPLICABLE CATALIST RULES

Rule	Description	Company's Compliance or Explanation
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance with the Catalist Rules 712 and 715. The Board and the ARC are satisfied that the appointment of the different auditors for the Company's subsidiaries and associates would not compromise the standard and effectiveness of the audit of the Company. Hence, the Company further confirms its compliance with Catalist Rule 716.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of any Director, or controlling shareholder, which are either still subsisting at the end of FY2023 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of Adequacy of Internal Controls	The Board, with the concurrence of the ARC, are of the opinion that the internal controls are effective and adequate to address the financial, operational and compliance and information technology risks in FY2023 based on the following: (a) internal controls and the risk management system established by the Company; (b) works performed by the IA and EA; (c) assurance from the Executive Director and Group CEO; and (d) reviews done by the various Board Committees and key management personnel.
1204(10A)	Relationship between Chairman and CEO	The Chairman and the CEO are not immediate family members.
1204(10B)	Designations and Roles of Directors	The Directors, their designations and roles are set out on pages 64 and 73 of the annual report.
1204(10C)	ARC confirmation on Internal Audit Function	The ARC is of the opinion that the internal audit function is independent, effective, and adequately resourced.
1204(17)	Interested Persons Transaction ("**IPT**")	The Group has procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the ARC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Company does not have a general mandate for IPTs. There were no IPTs with value which is equal to or more than S$100,000 transacted in FY2023. The aggregate value of the IPTs for FY2023 (including IPTs with value equal to or more than S$100,000) is S$96,041, representing 0.47% of the Group's audited NTA as at 31 December 2023.

CORPORATE GOVERNANCE REPORT

Rule	Description	Company's Compliance or Explanation
1204(19)	Dealing in Securities	The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-yearly financial statements and one month before the announcement of the Company's full-year financial statements respectively, and ending on the date of the announcement of the relevant results.
1204(21)	Non-Sponsor Fees	In FY2023, no non-sponsor fees were paid to the Continuing Sponsor, Stamford Corporate Services Pte. Ltd.
1204(22)	Use of IPO Proceeds	The Company refers to the net proceeds amounting to S$12.52 million (excluding listing expenses of approximately S$1.88 million raised from the IPO on the Catalist Board of the SGX-ST on 11 November 2014). As announced on 13 August 2018, the proceeds from the IPO have been fully utilised. The use of proceeds from the IPO was consistent with the prospectus dated 30 October 2014. Please refer to page 41 of the Company's annual report for FY2019 on the breakdown of the use of proceeds from the IPO.
1204(22)	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 ("**2017 Placement**"). As announced on 13 August 2018, the proceeds from the 2017 Placement have been fully utilised. The use of proceeds from the 2017 Placement was consistent with the announcement dated 24 March 2017. The Company further 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 ("**2019 Placement**"). As announced on 13 May 2019, the proceeds from the 2019 Placement have been fully utilised. The use of proceeds from the 2019 Placement was consistent with the announcement dated 14 March 2019. Please refer to page 42 of the Company's annual report for FY2019 on the breakdown of the use of proceeds from the 2017 Placement and 2019 Placement. The Company also refers to the net proceeds amounting to S$2.4 million raised from the placement exercise announced on 3 March 2022 and completed on 25 April 2022 ("**2022 Placement**").

<table>
<tr><th>Rule</th><th>Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
As announced on 12 August 2022, the proceeds from the 2022 Placement have been fully utilised. The use of proceeds from the 2022 Placement was consistent with the announcement dated 3 March 2022. Please refer to page 79 of the Company's annual report for FY2022 on the breakdown of the use of proceeds from the 2022 Placement.
The Company further refers to the net proceeds amounting to S$2.7 million raised from the placement exercise announced on 14 April 2023, 26 April 2023 and completed on 27 April 2023. The Company has subsequently announced a change in the use of proceeds on 30 June 2023 ("2023 Placement").
A change in the use of placement proceeds was announced by the Company on 30 June 2023. The use of the net proceeds from the placement is in accordance with the intended use of proceeds stated in the Company's announcement dated 30 June 2023. There is no material deviation from the stated use of proceeds.
<table>
<tr><th>Use of Placement net proceeds</th><th>Amount allocated (S$)</th><th>Amount utilised (S$)</th><th>Balance (S$)</th></tr>
<tr><td>Working Capital[1] and General Corporate Purposes</td><td>1,890,000 to 2,025,000</td><td>2,010,000</td><td>–</td></tr>
<tr><td>Opportunistic Acquisition</td><td>675,000 to 810,000</td><td>690,000[2]</td><td>–</td></tr>
<tr><td>Total</td><td>2,700,000</td><td>2,700,000</td><td>–</td></tr>
</table>
Note:–
(1) The working capital purposes are mainly the payment of professional fees and other office expenses.
(2) The amount was utilized for the acquisition of 25% interest in shares of ZAM. Please refer to the Company's announcements dated 30 June 2023 and 14 July 2023 for further details.
As announced on 29 February 2024, the proceeds from the 2023 Placement have been fully utilised. The use of proceeds from the 2023 Placement was consistent with the announcements dated 14 April 2023 and 30 June 2023.
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Information pursuant to Appendix 7F of the Catalist Rules on the Directors who are retiring at the forthcoming AGM pursuant to the respective Articles and are to be nominated for re-election:

DETAILS REQUIRED UNDER APPENDIX 7F OF THE CATALIST RULES	
DATUK NG HOCK HENG	
Date of initial appointment	9 December 2010
Date of last re-appointment (if applicable)	30 April 2021
Age	56
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Datuk Ng Hock Heng to have contributed effectively and demonstrated commitment to his role including commitment of time for the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. If re-elected, Datuk Ng Hock Heng will continue to be primarily responsible for the management and development of the Group's business plan and strategy, as well as managing any new services of the Group.
Job title (e.g., Lead ID, AC Chairman, AC Member etc.)	Executive Director (Group Chief Executive Officer)
Professional qualifications	– Bachelor of Economics (double major in Banking & Accountancy), Monash University – Bachelor of Laws, Monash University – Masters of Laws (Distinctions), Monash University
Working experience and occupation(s) during the past 10 years	• ZICO Holdings Inc., Executive Director & Group Chief Executive Officer • Ecofirst Consolidated Bhd, Independent Non-Executive Director • Posco-Malaysia Sdn. Bhd., Non-Executive Director • Zaid Ibrahim Co., Partner

CORPORATE GOVERNANCE REPORT

Shareholding interest in the listed issuer and its subsidiaries	As at the date of this report, Datuk Ng Hock Heng holds 12,160,898 ordinary shares amounting to 3.2% of the ordinary shares of the Company.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Present Principal Commitments* including directorships *"Principal Commitments" has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	• ZICO Holdings Inc., Executive Director • Ecofirst Consolidated Bhd, Independent Non-Executive Director • Posco-Malaysia Sdn. Bhd., Non-Executive Director
Past Principal Commitments for the last 5 years, including directorships	Nil

CORPORATE GOVERNANCE REPORT

MR. MOHAMED NASSER BIN ISMAIL	
Date of initial appointment	8 April 2024
Date of last re-appointment (if applicable)	–
Age	51
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The appointment of Mr. Mohamed Nasser Bin Ismail ("Mr. Nasser") as an independent director of the Company represents a strategic move aimed at rejuvenating and refreshing the Board, particularly in light of the tenure of the incumbent director since the Company's listing in year 2014 and listing on SGX-ST. The appointment of Mr. Nasser is essential to ensure the continued dynamism and relevance of the Board in a rapidly evolving business landscape. Mr. Nasser brings to the table a wealth of qualifications and extensive experiences predominantly in the capital equity market that make him well-suited for his roles (kindly refer to working experiences of Mr. Nasser as disclosed below). His proven track records, combined with his deep industry knowledge will make valuable contributions to the company's governance and strategic decision-making processes. By integrating these new voices into the Board, the Company not only enhance the Board's collective expertise but also reinforce the commitment to upholding the highest standards of corporate governance and driving sustained long-term value for the stakeholders. The Board of the Company, having considered the recommendations of the Nominating Committee and performed the assessment of Mr. Nasser qualifications and experience, is of the view that he has requisite experience and capability to assume the responsibility as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (e.g., Lead ID, AC Chairman, AC Member etc.)	Independent Director
Professional qualifications	LLB Hons Upper Division

Working experience and occupation(s) during the past 10 years	– October 2014 to October 2023 – Executive Director and Global Head of Equity Capital Market, Singapore Exchange Securities Trading Limited – February 2012 to September 2014 – Senior Vice President of Head Issuer Regulations, Singapore Exchange Securities Trading Limited – December 2023 to present – Senior Advisor, WongPartnership LLP – November 2023 to present – Deputy CEO, HydraX Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Present Principal Commitments* including directorships *"Principal Commitments" has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	• March 2024 to present – Sim Leisure Group Ltd. • October 2023 to present – Director, Raya Advisors Pte. Ltd. • February 2024 to present – Director, Hydrax Pte. Ltd. • November 2023 to present – Director, Surfin Meta Digital Technology Pte. Ltd. • January 2024 to present – Director, SG HER Empowerment Limited • January 2018 to present – Board Member, Madrasah Alsagoff Al-Arabiah • December 2023 to present – Senior Advisor, WongPartnership LLP • October 2021 to present – Director, Action Community for Entrepreneurship (ACE) Ltd. • April 2018 to present – Director, Enterprise SG

CORPORATE **GOVERNANCE REPORT**

Past Principal Commitments for the last 5 years, including directorships	• August 2021 to September 2023 – Director, CapBridge Pte. Ltd. • May 2018 to September 2023 – Director, 1x Exchange Pte. Ltd.
DR. VEERINDERJEET SINGH A/L TEJWANT SINGH	
Date of initial appointment	8 April 2024
Date of last re-appointment (if applicable)	–
Age	67
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The appointment of the Dr. Veerinderjeet Singh ("Dr. Veerinderjeet") as an independent director of the Company represents a strategic move aimed at rejuvenating and refreshing the Board, particularly in light of the tenure of the incumbent director since the Company's listing in year 2014 and listing on SGX-ST. The appointment of Dr. Veerinderjeet is essential to ensure the continued dynamism and relevance of the Board in a rapidly evolving business landscape. Dr. Veerinderjeet brings to the table a wealth of qualifications and extensive experiences that make him well-suited for his roles (kindly refer to the qualifications and working experiences of Dr. Veerinderjeet as disclosed in this announcement). His proven track records, combined with his deep industry knowledge will make valuable contributions to the company's governance and strategic decision-making processes. By integrating these new voices into the Board, the Company not only enhances the Board's collective expertise but also reinforces the commitment to upholding the highest standards of corporate governance and driving sustained long-term value for the stakeholders. The Board of Directors (the "Board"), having considered the recommendations of the Nominating Committee and performed the assessment of Dr. Veerinderjeet qualifications and experience, is of the view that he has the requisite experience and capability to assume the responsibilities as an Independent Director of ZICO Holdings Inc. (the "Company").
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (e.g., Lead ID, AC Chairman, AC Member etc.)	Independent Director

CORPORATE GOVERNANCE REPORT

Professional qualifications	– Bachelor of Accounting (First Class Hons), University of Malaya – Doctor of Philosophy, University Putra Malaysia – Member, Malaysia Institute of Certified Public Accountants (MICPA) – Member, Malaysian Institute of Accountants – Member, Chartered Tax Institute of Malaysia
Working experience and occupation(s) during the past 10 years	– March 2024 to present – Director, MARC Data Sdn. Bhd. – April 2022 to present – Director, ICC Malaysia Berhad – June 2017 to present – Independent Non–Executive Director, AmBank (M) Berhad – April 2017 to present – Malaysian Rating Corporation Berhad – March 2024 to present – Senior Adviser on Tax Policy, KPMG Malaysia – January 2018 to January 2024 – Non-Executive Chairman, Taxand Malaysia Sdn Bhd (now known as Tricor Taxand Sdn Bhd) – January 2012 to December 2017 – Executive Chairman, Taxand Malaysia Sdn Bhd (now known as Tricor Taxand Sdn Bhd) – May 2020 to February 2024 – Non-Executive Chairman, Tricor Services (Malaysia) Sdn Bhd – August 2015 to January 2018 – Executive Chairman, Axel asia Inc. (now known as Axington Inc.) – January 2018 to July 2020 – Non-Executive Chairman, Axelasia Inc. (now known as Axington Inc.) – June 2017 to February 2024 – Senior Independent Non-Executive Director, UMW Holdings Berhad – May 2014 to May 2017 – Independent Director, The Bank of Nova Scotia Berhad – December 2020 to February 2024 – Chairman, MARC Ratings Berhad

CORPORATE GOVERNANCE REPORT

	Dr. Veerinderjeet is also presently:– – Executive Committee and Council Member, MICPA – Executive Committee Member, International Fiscal Association (Malaysia Branch) – Board of Trustees, International Bureau of Fiscal Documentation, based in Amsterdam – Vice Chair, Commission on Taxation, International Chamber of Commerce, based in Paris – Adjunct Professor, Monash University, Malaysia – Member and Past Chairman, Monash School Industry Board
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Present Principal Commitments* including directorships *"Principal Commitments" has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	• March 2024 to present – Director, MARC Data Sdn. Bhd. • April 2022 to present – Director, ICC Malaysia Berhad • June 2017 to present – Independent Non-Executive Director, AmBank (M) Berhad • April 2017 to present – Malaysian Rating Corporation Berhad • March 2024 to present – Senior Adviser on Tax Policy, KPMG Malaysia
Past Principal Commitments for the last 5 years, including directorships	–

CORPORATE GOVERNANCE REPORT

MS. SHWETA NANDY	
Date of initial appointment	8 April 2024
Date of last re-appointment (if applicable)	–
Age	29
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The appointment of the Ms. Shweta Nandy ("Ms. Shweta") as Non-Independent Non-Executive Director of the Company represents a strategic move aimed at rejuvenating and refreshing the Board. The appointment of a female director, alongside the Company's efforts to include individuals from different races and ethnicities, is a significant step toward making the Company's leadership team more diverse. It demonstrates the Company's commitment to having a Board that reflects the varied backgrounds and perspectives of the Company stakeholders, and enhance decision-making processes, reduce risks, and foster a more inclusive corporate culture. This move reaffirms the company's support for equality and opportunity, showcasing its dedication to building a modern, forward-thinking organization that values and celebrates the richness of human diversity. Ms. Shweta's legal expertise further enhances her qualifications for the role of Non-Independent Non-Executive Director and contributing to the diverse skill set within the leadership team. The Board of the Company, having considered the recommendations of the Nominating Committee and performed the assessment of Ms. Shweta qualifications, is of the view that she has requisite experience and capability to assume the responsibility as the non-independent non-executive director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (e.g., Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director
Professional qualifications	– Degree of Bachelor of Laws with Honours in Law with Criminology – Bar Professional Training Course (BPTC) – Master of Science (MSc) in Islamic Finance (specialisation in Capital Markets)

CORPORATE
GOVERNANCE REPORT

Working experience and occupation(s) during the past 10 years	– January 2024 to Current – Associate, Messrs. George Varughese – August 2023 to current – Legal advisor, ZICO Trust (M) Berhad – March 2020 to current – Director, Manor Capital Sdn Bhd – January 2020 to December 2023 – Managing Partner, Messrs. George Varughese – July 2019 to December 2019 – Legal Executive, Limra Assets Sdn Bhd
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of the managing director of ZICO Trust (M) Berhad (an associate company of the Group)
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Present Principal Commitments* including directorships *"Principal Commitments" has the same meaning as defined in the Code, and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.	• January 2024 to Current – Associate, Messrs. George Varughese • August 2023 to current – Legal advisor, ZICO Trust (M) Berhad • March 2020 to current – Director, Manor Capital Sdn Bhd
Past Principal Commitments for the last 5 years, including directorships	– November 2021 to August 2022 – Director, Platinum Trustee Berhad (now known as ZICO Trust (M) Berhad)

GENERAL STATUTORY DISCLOSURES			
	Mr. Mohamed Nasser Bin Ismail	**Dr. Veerinderjeet Singh**	**Ms. Shweta Nandy**
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
Whether there is any unsatisfied judgment against him?	No	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

CORPORATE GOVERNANCE REPORT

Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
DISCLOSURE APPLICABLE TO THE APPOINTMENT OF DIRECTOR ONLY			
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable, as this is a re-election of directors		

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 118 to 208 are drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Chew Seng Kok
Datuk Ng Hock Heng
Chew Liong Kim
John Lim Yew Kong
Yap Tien Wei (Appointed on 12 May 2023)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" and "Share awards" in this statement.

Directors' interests in shares or debentures

a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2023	**At 1.1.2023**	**At 31.12.2023**	**At 1.1.2023**
ZICO Holdings Inc.				
(No. of ordinary shares)				
Chew Seng Kok	**79,699,688**	**80,699,688**	**5,293,737**	**5,293,737**
Datuk Ng Hock Heng	**11,110,700**	**6,620,000**	**–**	**–**
Chew Liong Kim	**2,171,421**	**2,171,421**	**–**	**–**
John Lim Yew Kong	**300,000**	**300,000**	**–**	**–**
Dato' T. Jasudasen (retired on 28 April 2023)	**240,000**	**240,000**	**–**	**–**

Directors' interests in shares or debentures (continued)

b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the ZICO Holdings Employee Share Option Scheme ("ESOS") as set out below and under "Share options" below.

	No. of unissued ordinary shares under option	
	At 31.12.2023	**At 1.1.2023**
ZICO Holdings Inc.		
Datuk Ng Hock Heng	**200,000**	**200,000**

c) In accordance with the continuing listing requirements of the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the register of directors' shareholdings, the directors' interests as at 21 January 2024 in the shares of Company have not changed from those disclosed as at 31 December 2023.

Share options

ZICO Holdings Employee Share Option Scheme

The ZICO Holdings Employee Share Option Scheme was approved and adopted at the Company's extraordinary general meeting held on 19 September 2014 and will continue to remain in force until 18 September 2024, unless terminated in accordance with the Rules of the ESOS. The ESOS is administered by the Remuneration Committee comprising Mr Chew Liong Kim, Mr John Lim Yew Kong and Mr Yap Tien Wei (the "Committee"). The ESOS provides for the grant of incentive share options to employees and directors of the Group.

Under the ESOS, the total number of shares over which the Committee may grant options on any date, when added to the number of shares issued and issuable in respect of (a) all options granted under the ESOS; (b) all awards granted under the PSP; and (c) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the number of issued shares (including treasury shares) on the day immediately preceding the offer date of the option.

The aggregate number of shares issued and issuable in respect of all options granted under the ESOS available to the controlling shareholders or associates of the controlling shareholders shall not exceed 25% of the total number of shares available under the ESOS.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), at any time, by a participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Share options (continued)

ZICO Holdings Employee Share Option Scheme (continued)

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), at any time, by a participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

An option shall, to the extent unexercised, immediately lapse and become null and void and a participant shall have no claim against the Company:

a) subject to the rules of the ESOS, upon the participant ceasing to be in employment of the Company or any of the companies within the Group for any reason whatsoever;

b) upon the bankruptcy of the participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such option; or

c) in the event of misconduct on the part of the participant, as determined by the Committee.

Activities under the ESOS

The number of unissued ordinary shares of the Company under option in relation to the ZICO Holdings ESOS outstanding at the end of the financial year was as follows:

Exercise price	Grant date	Exercise period	2023 Number of options
S$0.24	31 October 2014	1 November 2016 to 30 October 2024	3,300,000

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the financial year as well as the movements during the financial year.

	2023	
	Number of options	**Weighted average exercise price S$**
Outstanding at 1 January/31 December	**3,300,000**	**0.24**
Exercisable at 31 December	**3,300,000**	**0.24**

Share options (continued)

ZICO Holdings Employee Share Option Scheme (continued)

Activities under the ESOS (continued)

The following table summarises information about directors' share options outstanding as at 31 December 2023:

	No. of unissued ordinary shares of the Company under option				
	Granted in financial year ended 31.12.2023	**Aggregate granted since commencement of ESOS to 31.12.2023**	**Aggregate exercised since commencement of ESOS to 31.12.2023**	**Forfeited in financial year ended 31.12.2023**	**Aggregate outstanding as at 31.12.2023**
Directors of the Company					
Datuk Ng Hock Heng	–	200,000	–	–	200,000
Total	–	200,000	–	–	200,000

(a) Exercise price of S$0.24. Exercisable from 1 November 2016 to 30 October 2024.

No participant has received 5% or more of the total number of shares under option available under the ESOS.

There were no options granted to (a) controlling shareholders and independent directors of the Company; (b) associates of the controlling shareholders; and (c) independent directors of its subsidiaries, from the commencement of the ESOS up to the end of the financial year.

No options were granted to directors and employees of the parent company and its subsidiaries as the Company does not have any parent company.

No options were granted during the financial year.

There were no options exercised during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year except for those disclosed above.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Share awards

ZICO Holdings Performance Share Plan

In conjunction with the Company's listing on the Catalist of SGX-ST, the Group adopted the ZICO Holdings Performance Share Plan which was approved at the Company's extraordinary general meeting held on 19 September 2014. The PSP is administered by the Remuneration Committee comprising Mr Yap Tien Wei, Mr John Lim Yew Kong and Mr Chew Liong Kim. The PSP provides for the grant of incentive share awards to employees and directors.

The selection of participants and number of shares which are subject of each award to be granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and/or issuable in respect of (a) all awards granted under the PSP; and (b) all other shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time.

The aggregate number of shares available to the controlling shareholders or associates of the controlling shareholder (including adjustments made) shall not exceed 25% of the shares available under the PSP. The number of shares that are available to each controlling shareholder or associates of the controlling shareholder under the PSP shall not exceed 10% of the shares available under the PSP.

Notwithstanding that a participant may have met his performance targets, no awards shall be vested:

(a) upon the bankruptcy of the participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such award;

(b) in the event of any misconduct on the part of the participant as determined by the Committee in its discretion;

(c) subject to the rules of the PSP, upon the participant ceasing to be in the employment of the Group for any reason whatsoever; or

(d) in the event that the Committee shall, at its discretion, deem it appropriate that such award to be given to a participant shall so lapse on the grounds that any of the objectives of the PSP have not been met.

As at 31 December 2023, there were Nil unissued ordinary shares and 8,789,779 issued ordinary shares granted pursuant to the PSP.

Share awards (continued)

Activities under the PSP

The following table summarises information about directors' share awards outstanding as at 31 December 2023:

	No. of unissued ordinary shares of the Company under award			
	Granted in financial year ended 31.12.2023	Aggregate granted since commencement of PSP to 31.12.2023	Aggregate vested since commencement of PSP to 31.12.2023	Aggregate outstanding as at 31.12.2023
Directors of the Company				
Chew Seng Kok	–	300,000	(300,000)	–
Datuk Ng Hock Heng	–	530,000	(530,000)	–
Chew Liong Kim	–	300,000	(300,000)	–
John Lim Yew Kong	–	300,000	(300,000)	–
Dato' T. Jasudasen (retired on 28 April 2023)	–	240,000	(240,000)	–
Total	–	1,670,000	(1,670,000)	–

No participant has received 5% or more of the total number of shares available under the PSP.

During the financial year under review, there were no shares granted pursuant to the PSP to the controlling shareholders of the Company and their associates.

Audit and Risk Committee

The members of the Audit and Risk Committee at the end of the financial year were as follows:

John Lim Yew Kong (Chairman)
Chew Liong Kim
Yap Tien Wei

All members of the Audit and Risk Committee were non-executive and independent directors except for Chew Liong Kim who was a non-executive and a non-independent director.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Audit and Risk Committee (continued)

The Audit and Risk Committee carried out its functions and reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 before their submission to the Board of Directors.

The Audit and Risk Committee has recommended to the Board that the independent auditor, PKF-CAP LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Auditor

The independent auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chew Seng Kok Director	Datuk Ng Hock Heng Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZICO HOLDINGS INC.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ZICO Holdings Inc. (the "Company") and its subsidiaries (the "Group") as set out on pages 118 to 208 which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recoverability of trade and other receivables and contract assets

As disclosed in Note 21 to the financial statements, the Group had gross trade and other receivables and contract assets of RM93.0 million (2022: RM108.2 million) against which loss allowance of RM9.7 million (2022: RM8.1 million) were recognised in accordance with IFRS 9 *Financial Instruments*. The carrying amount of trade and other receivables and contract assets of RM83.3 million (2022: RM100.1 million) represented 53% (2022: 52%) of the Group's total assets. This mainly comprised trade and non-trade amounts due from ZICOlaw network firms amounting to RM33.9 million and RM15.6 million (2022: RM37.3 million and RM15.2 million) respectively. The remaining RM33.8 million (2022: RM47.6 million) comprised RM21.8 million (2022: RM26.8 million) of trade receivables and contract assets from other third parties, RM6.2 million (2022: RM12.8 million) of non-trade amounts due from associated companies and RM5.8 million (2022: RM8.0 million) of deposits and other receivables.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZICO HOLDINGS INC.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

1. Recoverability of trade and other receivables and contract assets (continued)

The assessment of recoverability of trade and other receivables and contract assets is considered a key audit matter as it requires the application of significant estimates and judgements by management and trade and other receivables and contract assets are significant to the Group's total assets.

For trade receivables and contract assets, the Group applied the simplified approach and determined the lifetime expected credit loss ("ECL"). The Group determined the ECL of trade receivables by segregating trade receivables from ZICOlaw network firms which has engaged in a repayment plan with the Group, and using a provision matrix for the remaining trade receivables.

The Group applied the general 3-step approach in the determination of ECL for non-trade amounts due from ZICOlaw network firms and associated companies and other receivables.

The significant estimates and judgements applied in the assessment of recoverability of trade and other receivables and contract assets are disclosed in Note 3.2 and Note 34.1 to the financial statements.

Our procedures to address the key audit matter

We obtained an understanding of the Group's credit policy, credit assessment procedures, factors for determination of default event and recoverability assessment for trade and other receivables and contract assets. We tested the ageing of trade receivables at year end on a sample basis and evaluated and challenged the reasonableness of management's estimates and judgements applied in the provision matrix including management's determination of historical credit loss rates and management's consideration of forward-looking information.

We have also evaluated and challenged management's assessment of loss given default and probability of default for trade and non-trade amounts due from ZICOlaw network firms, non-trade amounts due from associated companies, contract assets and other receivables. For ZICOlaw network firms, we checked that the scheduled repayments for the current financial year based on the previous year's repayment plan have been met by checking payments received during the financial year. We also reviewed the historical payment trend, business development, subsequent collection, letter of undertaking and assessed the rapport of the Group with the ZICOlaw network firms. For non-trade amounts due from associated companies, we assessed the recoverability with reference to the business plans and relevant supporting documents for the associated companies provided by management. For contract assets, we discussed with management on their credit impairment assessment of the customer and reviewed the historical payment trend and business developments.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2. Impairment assessment of goodwill

As at 31 December 2023, the carrying amount of goodwill amounted to RM24.5 million (2022: RM23.9 million). Goodwill had been allocated to certain cash-generating units ("CGUs") as disclosed in Note 15 to the financial statements. Management has performed impairment assessment to determine the value-in-use of the respective CGUs taking into account current market conditions.

Impairment assessment of goodwill is considered a key audit matter due to the significance of the assets to the Group's consolidated financial statements and the key estimation involved in the determination of the value-in-use of the CGUs by management. The key estimation relates to the revenue growth rate of the CGUs, pre-tax weighted average cost of capital and terminal growth rate applied to future cash flow projections as disclosed in Note 3.2 and Note 15 to the financial statements.

Our procedures to address the key audit matter

We obtained an understanding of management's impairment assessment process.

We assessed the key estimates applied in the value-in-use calculations by comparing the cash flow projections to historical data, existing contracts and market trends. We also compared current year actual results to prior year forecast where relevant to assess the reliability of management's estimates. We assessed the sensitivity of the key estimates on the impairment assessment based on reasonably possible changes in the key estimates. We involved our internal valuation specialists in assessing the reasonableness of the terminal growth rates and pre-tax weighted average cost of capital used. We recomputed the comparison between the recoverable amounts based on value-in-use calculation and the carrying value of the CGU in which goodwill is attributable to.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2023 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT **AUDITOR'S REPORT**

TO THE MEMBERS OF ZICO HOLDINGS INC.

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZICO HOLDINGS INC.

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Eng Kian.

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000
Revenue	4	**58,612**	64,945
Other item of income			
Other income	5	**9,626**	9,065
Other gains and (losses)			
– Others	6	**1,695**	(461)
– (Loss)/reversal of allowance on trade and other receivables and contract assets	34.1	**(918)**	887
Items of expenses			
Amortisation and depreciation expenses	7	**(5,271)**	(6,468)
Employee benefits expense	8	**(50,511)**	(51,403)
Lease expenses		**(688)**	(449)
Retainer fees and consultancy fees		**(9,692)**	(4,898)
Bad debt written off		**(8,767)**	–
Other expenses	9	**(12,570)**	(11,607)
Finance costs	10	**(2,920)**	(2,836)
		(21,404)	(3,225)
Share of results of associated companies, net of tax		**287**	36
Share of results of joint venture, net of tax		**–**	2,243
Loss before income tax		**(21,117)**	(946)
Income tax (expense)/credit	11	**(3,466)**	1,499
(Loss)/Profit for the financial year		**(24,583)**	553
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences arising on consolidation	26	**2,421**	452
Items that will not be reclassified subsequently to profit or loss:			
Net fair value change on financial assets, at FVOCI	27	**(484)**	(456)
Foreign currency translation differences arising on consolidation	26	**77**	300
Other comprehensive income, net of tax		**2,014**	296
Total comprehensive (loss)/income for the financial year		**(22,569)**	849
(Loss)/Profit attributable to:			
Equity holders of the Company		**(24,939)**	(865)
Non-controlling interests		**356**	1,418
		(24,583)	553
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(23,002)**	(869)
Non-controlling interests		**433**	1,718
		(22,569)	849
(Losses) per share			
– Basic (RM)	12	**(0.067)**	(0.003)
– Diluted (RM)	12	**(0.067)**	(0.003)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Non-current assets					
Plant and equipment	13	**2,411**	2,648	**62**	66
Right-of-use assets	14	**8,831**	9,311	**–**	–
Intangible assets	15	**29,289**	29,668	**26**	163
Investments in subsidiaries	16	**–**	–	**48,717**	43,161
Investments in associated companies	17	**1,927**	805	**2**	2
Investment in joint venture	18	**–**	–	**–**	–
Investments	19	**438**	886	**–**	–
Deferred income tax assets	20	**8,857**	11,227	**–**	–
Prepayments		**–**	–	**–**	–
Trade and other receivables	21	**51,977**	53,292	**69,430**	67,856
		103,730	107,837	**118,237**	111,248
Current assets					
Trade and other receivables	21	**22,932**	39,227	**38,823**	30,903
Contract assets	4(b)	**8,468**	7,539	**–**	–
Prepayments		**2,055**	2,947	**75**	68
Current income tax recoverable		**278**	251	**82**	15
Cash and cash equivalents	22	**16,459**	16,888	**2,998**	2,211
Other current assets	23	**4,081**	19,572	**703**	15,597
		54,273	86,424	**42,681**	48,794
Total assets		**158,003**	194,261	**160,918**	160,042
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**112,282**	103,086	**112,282**	103,086
Share-based reserve	25	**2,106**	2,106	**2,106**	2,106
Currency translation reserve	26	**3,855**	1,434	**25,445**	16,301
Fair value reserve	27(a)	**(2,141)**	(1,538)	**–**	–
Capital reserve	27(b)	**(458)**	(458)	**–**	–
(Accumulated losses)/Retained earnings		**(17,364)**	7,456	**(8,421)**	7,821
Equity attributable to equity holders of the Company		**98,280**	112,086	**131,412**	129,314
Non-controlling interests	16	**(2,676)**	1,915	**–**	–
Total equity		**95,604**	114,001	**131,412**	129,314
Non-current liabilities					
Interest-bearing liabilities	28	**4,825**	6,737	**4,751**	6,737
Lease liabilities	14	**7,112**	8,429	**–**	–
Provisions	30	**100**	353	**–**	–
Deferred income tax liabilities	20	**731**	766	**–**	–
		12,768	16,285	**4,751**	6,737
Current liabilities					
Trade and other payables	29	**10,273**	21,569	**4,216**	782
Interest-bearing liabilities	28	**29,241**	33,733	**20,539**	23,208
Lease liabilities	14	**2,630**	1,455	**–**	–
Contract liabilities	4(b)	**3,861**	3,821	**–**	–
Provisions	30	**22**	21	**–**	–
Current income tax payable		**3,604**	3,376	**–**	1
		49,631	63,975	**24,755**	23,991
Total liabilities		**62,399**	80,260	**29,506**	30,728
Total equity and liabilities		**158,003**	194,261	**160,918**	160,042

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	← Attributable to equity holders of the Company →								
		Share capital RM'000	Share-based reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2023										
Balance as at 1 January 2023		**103,086**	**2,106**	**1,434**	**(1,538)**	**(458)**	**7,456**	**112,086**	**1,915**	**114,001**
(Loss)/profit for the financial year		**-**	**-**	**-**	**-**	**-**	**(24,939)**	**(24,939)**	**356**	**(24,583)**
Other comprehensive (loss)/income for the financial year:										
Net fair value changes on financial assets, at FVOCI	27	**-**	**-**	**-**	**(484)**	**-**	**-**	**(484)**	**-**	**(484)**
Foreign currency translation differences arising on consolidation	26	**-**	**-**	**2,421**	**-**	**-**	**-**	**2,421**	**77**	**2,498**
Total comprehensive (loss)/income for the financial year		**-**	**-**	**2,421**	**(484)**	**-**	**(24,939)**	**(23,002)**	**433**	**(22,569)**
Transfer upon disposal of financial assets, at FVOCI	27	**-**	**-**	**-**	**(119)**	**-**	**119**	**-**	**-**	**-**
Contributions by and distributions to equity holders of the Company:										
Issuance of ordinary shares	24	**9,104**	**-**	**-**	**-**	**-**	**-**	**9,104**	**-**	**9,104**
Grant of share awards	25	**92**	**-**	**-**	**-**	**-**	**-**	**92**	**-**	**92**
Total transactions with equity holders of the Company		**9,196**	**-**	**-**	**-**	**-**	**-**	**9,196**	**-**	**9,196**
Transactions with non-controlling interests:										
Changes in ownership interest in subsidiaries that do not result in loss of control		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,232)**	**(4,232)**
Dividends paid		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(792)**	**(792)**
Total transactions with non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,024)**	**(5,024)**
Balance as at 31 December 2023		**112,282**	**2,106**	**3,855**	**(2,141)**	**(458)**	**(17,364)**	**98,280**	**(2,676)**	**95,604**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		← Attributable to equity holders of the Company						→		
	Note	Share capital RM'000	Share-based reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2022										
Balance as at 1 January 2022		95,314	2,106	982	(2,067)	(458)	9,306	105,183	1,103	106,286
(Loss)/profit for the financial year		–	–	–	–	–	(865)	(865)	1,418	553
Other comprehensive (loss)/income for the financial year:										
Net fair value changes on financial assets, at FVOCI	27	–	–	–	(456)	–	–	(456)	–	(456)
Foreign currency translation differences arising on consolidation	26	–	–	452	–	–	–	452	300	752
Total comprehensive income/(loss) for the financial year		–	–	452	(456)	–	(865)	(869)	1,718	849
Transfer upon disposal of financial assets, at FVOCI	27	–	–	–	985	–	(985)	–	–	–
Contributions by and distributions to equity holders of the Company:										
Issuance of ordinary shares	24	7,675	–	–	–	–	–	7,675	–	7,675
Grant of share awards	25	97	–	–	–	–	–	97	–	97
Total transactions with equity holders of the Company		7,772	–	–	–	–	–	7,772	–	7,772
Transactions with non-controlling interests:										
Dividends paid		–	–	–	–	–	–	–	(906)	(906)
Total transactions with non-controlling interests		–	–	–	–	–	–	–	(906)	(906)
Balance as at 31 December 2022		**103,086**	**2,106**	**1,434**	**(1,538)**	**(458)**	**7,456**	**112,086**	**1,915**	**114,001**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000
Cash flows from operating activities			
Loss before tax		**(21,117)**	(946)
Adjustments for:			
Loss/(reversal of) allowance on trade and other receivables and contract assets	34	**918**	(887)
Bad debts written off		**8,767**	–
Amortisation and depreciation expenses	7	**5,271**	6,468
Impairment of goodwill		**500**	–
Interest income	5	**(2,606)**	(2,614)
Interest expense		**2,920**	2,836
Loss on disposal of an investment in joint venture	6	**–**	1,560
Loss/(gain) on disposal of plant and equipment	6	**72**	(24)
Plant and equipment written off	6	**–**	123
Provisions		**(252)**	13
Disbursements written off		**685**	–
Share of results of associated companies, net of tax		**(287)**	(36)
Share of results of joint venture, net of tax		**–**	(2,243)
Unrealised gain on foreign exchange, net	6	**(2,360)**	(1,537)
Share-based payment expense		**92**	97
Operating cash flows before working capital changes		**(7,397)**	2,810
Working capital changes:			
Trade and other receivables		**9,918**	4,630
Prepayments		**892**	(1,357)
Trade and other payables		**882**	7,458
Cash generated from operations		**4,295**	13,541
Income tax paid		**(1,047)**	(2,299)
Net cash generated from operating activities		**3,428**	11,242

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000
Investing activities			
Advances to associated companies		**(242)**	(1,556)
Withdrawal/(placement) of fixed deposits		**3,295**	(15,591)
Dividends received		**–**	4,064
Interest received		**2,606**	2,614
Proceeds from disposal of an investment in joint venture		**–**	8,927
Proceeds from disposal of financial assets, FVOCI	19	**117**	1,771
Proceeds from disposal of plant and equipment		**124**	244
Purchase of plant and equipment	13	**(700)**	(1,653)
Purchase of additional investment in associate	17	**(800)**	–
Purchase of intangible assets	15	**(5)**	(61)
Net cash generated from/(used in) investing activities		**4,395**	(1,241)
Financing activities			
Dividends paid to non-controlling interests		**(792)**	(906)
Issuance of ordinary share	24	**9,104**	7,675
Interest paid		**(2,920)**	(2,836)
Repayments of revolving credit facilities	28	**(4,528)**	(4,266)
Proceeds from revolving credit facilities	28	**1,741**	–
Repayment of term loan facility	28	**(3,697)**	(7,920)
Repayment of hire purchase	28	**(40)**	–
Proceeds from hire purchase	28	**170**	–
Repayment of lease liabilities	14(d)	**(3,029)**	(3,680)
Acquisition of non-controlling interests		**(2,352)**	–
Proceeds from issuance of ordinary shares to non-controlling interests		**69**	–
Net cash used in financing activities		**(6,274)**	(11,933)
Net change in cash and cash equivalents		**1,368**	(1,932)
Cash and cash equivalents at beginning of financial year	22	**8,570**	9,871
Effect of exchange rate changes on cash and cash equivalents		**168**	631
Cash and cash equivalents at end of financial year	22	**10,106**	8,570

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

ZICO Holdings Inc. (the "Company") is domiciled in the Federal Territory of Labuan, Malaysia and was incorporated on 9 December 2010 under the Labuan Companies Act 1990 as a Labuan company. The Company's registration number is LL07968.

The Company was listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 11 November 2014.

The address of the Company's registered office is Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia. The principal place of business is 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 16.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Material accounting policy information (continued)

2.1 Basis of preparation (continued)

Adoption of new and amended standards and interpretations

In the current financial year, the Group has adopted all the new and revised IFRS and Interpretations of IFRS ("IFRIC") that are relevant to its operations and effective for annual financial period beginning on 1 January 2023. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC.

The adoption of these new/revised IFRS and IFRIC did not have any material effect on the financial results or position of the Group and the Company.

Standards issued but not yet effective

New standards, amendments to standards and interpretations that have been issued at the financial position date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2.2 Revenue recognition

Advisory and transactional services – Ad hoc services

The Group provides ad hoc services that include business and management consultancy services, corporate finance advisory services, tax administration, payroll and accounting support services. The Group is compensated for these services in the form of a fee which is payable based on event-based milestones, at the end of the project or on a monthly basis. At contract inception, the Group will analyse the scope of works required and assess whether the revenue is to be recognised over time or at a point in time by determining if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Where the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, such services are recognised as performance obligation satisfied over time by reference to the Group's progress towards completing the performance obligations. Where the fee payable is based on event-based milestones, the measure of progress is determined based on the milestones achieved that corresponds directly with the value to the customer of the Group's performance completed to date. Where the fee is payable on a monthly basis, revenue is recognised at the end of each period for the fees associated with the services performed. It is common for the contract to include success fee clauses, where the fee is only payable upon the successful execution of a specific milestone (such as the completion of a successful IPO). Success fee is included as revenue to the extent that it is highly probable that a significant reversal of the revenue will not occur when the uncertainty associated with the variable consideration is resolved. For contracts where the performance obligation is not satisfied over time, revenue is only recognised when the performance obligation is fulfilled. The customers are required to pay within 14 to 60 days from the invoice date. No element of financing is deemed present.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.2 Revenue recognition (continued)

Advisory and transactional services – Retainer services

The Group provides retainer services such as corporate secretarial, share registrar, trustee, continuing sponsorship and business support services. The Group is compensated for services through a monthly, quarterly, half yearly or yearly fee earned based on the promised consideration in the relevant agreements. All these services represent a series of distinct daily services rendered over time and such services are recognised as a performance obligation satisfied over time as the Group transfers the benefit of the services to the customer as it performs. Consistent with the transfer of control for distinct and daily services to the customers, revenue is recognised at the end of each period for the fees associated with the services performed. The billing cycle varies with each client. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. A contract liability is recognised when the Group has not yet performed under the contract but receives advanced payments from the customer. The customers are required to pay within 14 to 60 days from the invoice date. No element of financing is deemed present.

Royalty income

The Group earns royalties arising from the use by others of the Group's intellectual property. The sales-based royalties (royalties based upon a specified percentage of customer's revenue) are recognised as revenue as the subsequent usage occurs.

Management fee income

The Group provides business and management consultancy services to customers. Such services are recognised as a performance obligation satisfied over time as management services are performed. The customers are required to pay within 14 to 60 days from the invoice date. A receivable is recognised as the consideration is unconditional and only passage of time is required before the payment is due. No element of financing is deemed present as the consideration is repayable on demand.

Other income

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the term of the relevant lease.

2.3 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee benefits expense when they are due.

2. Material accounting policy information (continued)

2.3 Employee benefits (continued)

b) *Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial position date.

d) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each financial position date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the financial position date; and

ii) based on the tax consequence that will follow from the manner in which the Group expects, at the financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Material accounting policy information (continued)

2.6 Group accounting

a) *Subsidiaries*

i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.6 Group accounting (continued)

a) *Subsidiaries (continued)*

iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies, and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

2. Material accounting policy information (continued)

2.6 Group accounting (continued)

c) *Associated companies and joint ventures (continued)*

ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income.

Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint ventures equals to or exceeds its interest in the associated company or joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint ventures. If the associated company or joint ventures subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company or joint venture includes any long-term loans for which settlement is neither planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.7 Plant and equipment

a) *Measurement*

i) *Plant and equipment*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

ii) *Components of costs*

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

b) *Depreciation*

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Motor vehicles	5
Computer hardware	3
Office equipment	$6\frac{2}{3}$
Leasehold improvement	10

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise.

c) *Subsequent expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

d) *Disposal*

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2. Material accounting policy information (continued)

2.8 Intangible assets

a) *Goodwill*

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on joint ventures and associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

b) *Acquired trademarks*

Trademarks acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 40 years.

c) *Customer relationships*

Customer relationships are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 14.5 years.

d) *Acquired computer software licences*

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.8 Intangible assets (continued)

e) *Customer acquisition costs*

Customer acquisition costs are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 8 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.10 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are carried at cost less accumulated impairment losses in the Company's financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Impairment of non-financial assets

a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

2. Material accounting policy information (continued)

2.11 Impairment of non-financial assets (continued)

b) ***Intangible assets***
Plant and equipment
Investments in subsidiaries, associated companies and joint ventures
Right-of-use assets

Intangible assets, plant and equipment, investments in subsidiaries, associated companies, joint ventures, investments – corporate club membership and right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.12 Financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

Classification and measurement (continued)

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables (excluding grant receivables) and other current assets.

Based on the Group's business model for managing the asset and the cash flow characteristics of the asset, the Group subsequently measures all its debt instruments at amortised cost.

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

ii) *Equity instruments*

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise the changes in fair value of equity investments not held for trading in other comprehensive income as these are strategic investments and the Group considered this to be more relevant. Movement in fair values of investments classified as FVOCI are presented as "net fair value change on financial assets, FVOCI" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. Material accounting policy information (continued)

2.12 Financial assets (continued)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the financial position date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short term leases of office (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. Material accounting policy information (continued)

2.16 Leases (continued)

When a Group entity is the lessee (continued)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented as a separate line in the financial position.

The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.11(b).

As a practical expedient, IFRS 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient of its leases of office units.

When a Group entity is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Material accounting policy information (continued)

2.17 Provisions

Provisions for reinstatement are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated costs of reinstatement arising from use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related asset unless the decrease in liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 Currency translation

a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollar. The financial statements are presented in Ringgit Malaysia as a significant portion of operations of the Group is in Malaysia.

b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the financial position date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other gains and losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Material accounting policy information (continued)

2.18 Currency translation (continued)

c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities are translated at the closing exchange rates at the reporting date;

ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.20 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions and fixed deposits net of fixed deposits pledged, which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.21 Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Financial guarantees

A subsidiary of the Company has issued corporate guarantees to a bank for bank borrowings of its associated company. These guarantees are financial guarantees as they require the subsidiary of the Company to reimburse the banks if the associated company fails to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- The amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments*; and

- The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associated company are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

3. Critical accounting estimates, assumptions and judgements

3.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the subsequent paragraphs).

Going concern assumption

The Group's net loss of RM24,583,000 (2022: net profit of RM553,000) for the financial year ended 31 December 2023 is attributable to the write-off of bad debt related to its investment in Philippines, ZICO Corporate Services Inc, amounting to RM7,368,000; deferred tax expenses incurred by one of its subsidiaries, ZICO RMC Pte Ltd, amounting to RM2,206,000; impairment of goodwill amounting to RM500,000 due to substantial termination of the group's business in Myanmar. The Group's net assets as at 31 December 2023 were RM95,604,000 (2022: RM114,001,000). Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months from the date of authorisation of these financial statements and that going concern basis of preparation of these financial statements remains appropriate.

3. Critical accounting estimates, assumptions and judgements (continued)

3.1 Critical judgements in applying the Group's accounting policies (continued)

Going concern assumption (continued)

While the Group continues to operate in a dynamic and challenging industry characterized by inflationary pressure, economic and geo-political uncertainties, the Group has cash and cash equivalents of RM16,459,000 (2022: RM16,888,000) as at 31 December 2023. The Group remains a positive net cash generated from operating activities of RM3,428,000 for the financial year ended 31 December 2023 (2022: positive RM11,242,000).

The appropriateness of the going concern basis of accounting is dependent on the continued availability of borrowings by compliance with loan covenants, the cash flows generated from operations and the Company's plans to strengthen its capital base going forward. As at the date of authorisation of these financial statements, the directors are satisfied that the Group will be able to comply with its covenant requirements.

Management has taken many mitigating actions to reduce costs, optimise the Group's cash flows and preserve liquidity inter alia:

- Focus on sustaining revenue streams;
- Reduce non-essential spending and capital expenditure;
- Right size the Group's manpower requirements including remuneration adjustments where possible; and
- Right size and optimise office space requirements given the new normal of working from home.

After considering the effectiveness and viability of the mitigating actions described above, the directors believe that the Group and Company have adequate resources to continue their operations as going concerns.

Based on the above factors, the financial statements have been prepared on a going concern basis.

3.2 Critical accounting estimates and assumptions

Estimated impairment of goodwill

Management performs an annual impairment assessment of goodwill. Valuation model based on discounted cash flow analysis of the cash-generating unit ("CGU") is used by management to determine the value in use ("VIU") for the purposes of the impairment assessment.

Significant judgements are used to estimate the revenue growth rates, pre-tax weighted average cost of capital and terminal growth rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance and its expectations of the future business developments in Singapore, Malaysia, Thailand, Laos PDR and Myanmar. Details of the impairment assessment, sensitivity analysis and the carrying value of the Group's goodwill are disclosed and further explained in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Critical accounting estimates and assumptions (continued)

Impairment on trade and other receivables and contract assets

When measuring expected credit loss ("ECL"), the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade and other receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade and other receivables.

For trade receivables and contract assets, the Group applied the simplified approach and determined the lifetime ECL. The Group determined the ECL of trade receivables by segregating trade receivables from ZICOlaw network firms which has engaged in a repayment plan with the Group and using a provision matrix for the remaining trade receivables. The Group categorizes these trade receivables based on shared credit risk characteristics and days past due. The ECL rates for each category of debtors are estimated based on historical credit loss experience adjusted as appropriate to reflect forward-looking information where relevant which is based on assumptions and forecasts of future economic conditions and how these conditions will affect the Group's ECL assessment.

For trade receivables from ZICOlaw network firms, the Group determined the lifetime ECL, taking into consideration their recent business developments, the historical payment trend, the subsequent collection, the revised repayment plan following the letter of undertaking as disclosed in Note 34.1, the creditworthiness of ZICOlaw network firms and their ability to repay and forecasts of future economic conditions. Contract assets relate to unbilled work in progress for longer term advisory and transactional projects which have substantially different risk characteristics as the trade receivables. The Group determined the loss given default and probability of default of contract assets, taking into consideration the historical payment trend and whether a credit impairment event has occurred.

The Group applied the general 3-step approach in the determination of ECL for non-trade amounts due from ZICOlaw network firms and associated companies and other receivables. For the non-trade amounts due from associated companies, the Group determined the loss given default and probability of default, taking into consideration the future cashflows and business plans of the associated companies.

The carrying amount of trade receivables and other receivables (including contract assets) is disclosed in Note 21. Details of ECL measurement of trade and other receivables are disclosed in Note 34.1.

3. Critical accounting estimates, assumptions and judgements (continued)

3.2 Critical accounting estimates and assumptions (continued)

Impairment of investments in subsidiaries

The Company assesses at each financial position date whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and pre-tax weighted average cost of capital, in order to determine the present value of those cash flows. The carrying amount of investments in subsidiaries is disclosed in Note 16.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For lease of office unit, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group typically includes the extension option in lease liabilities;

- If there are significant penalties to terminate the lease, the Group will typically reasonably certain not to terminate the lease; and

- Otherwise, the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

Deferred income tax assets

The Group recognises deferred income tax assets on carried forward tax losses to the extent that there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test. Significant judgement is required in determining the projected revenue and the estimated costs necessary to generate the revenue. These projection and estimates are based on the current market condition and could change significantly as a result of competitor actions. The carrying amount of the deferred income tax assets is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Revenue

a) Disaggregation of revenue from contracts with customers

	At a point in time RM'000	Over time RM'000	Total RM'000
2023			
Advisory and transactional services			
– Singapore	**4,669**	**30,844**	**35,513**
– Malaysia	**2,331**	**6,276**	**8,607**
– Thailand	**88**	**1,633**	**1,721**
– Indonesia	**313**	**4,445**	**4,758**
– China	**160**	**494**	**654**
– Hong Kong	**305**	**1,245**	**1,550**
– United States of America	**143**	**722**	**865**
– Others	**1,873**	**3,071**	**4,944**
	9,882	**48,730**	**58,612**
Total	**9,882**	**48,730**	**58,612**

	At a point in time RM'000	Over time RM'000	Total RM'000
2022			
Management fees			
– Singapore	–	(105)	(105)
Advisory and transactional services			
– Singapore	5,918	28,794	34,712
– Malaysia	714	4,569	5,283
– Thailand	69	2,688	2,757
– Indonesia	578	5,287	5,865
– China	62	846	908
– Hong Kong	143	2,385	2,528
– United States of America	141	750	891
– Others	1,798	7,976	9,774
	9,423	53,295	62,718
Royalty income			
– Malaysia	–	1,769	1,769
– Indonesia	–	349	349
– Others	–	214	214
	–	2,332	2,332
Total	9,423	55,522	64,945

4. Revenue (continued)

b) Contract assets and liabilities

	Group		
	31.12.2023	**31.12.2022**	**1.1.2022**
	RM'000	**RM'000**	**RM'000**
Contract assets			
– Advisory and transactional services	**10,164**	9,138	7,003
Less: Loss allowance	**(1,696)**	(1,599)	(1,204)
Total contract assets	**8,468**	7,539	5,799
Contract liabilities			
– Advisory and transactional services	**3,861**	3,821	2,377

Contract assets relate to advisory and transactional services contracts. The contract assets balance increased (2022: increased) as the Group provided more (2022: more) services ahead of the agreed payment schedules. The increase in loss allowance of RM97,000 (2022: RM395,000) is mainly due to the foreign exchange differences (2022: loss allowance recognised during the financial year).

Contract liabilities for service rendered has increased due to more contracts in which the Group billed and received consideration ahead of the provision of services.

i) Revenue recognised in relation to contract liabilities

	Group	
	2023	**2022**
	RM'000	**RM'000**
Revenue recognised in current financial year that was included in the contract liabilities balance at the beginning of the financial period		
– Advisory and transactional services	**3,821**	2,377

ii) Transaction price allocated to remaining performance obligations

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2023 and 2022 may be recognised as revenue in the next reporting periods as follows:

Unsatisfied and partially unsatisfied performance obligations as at:	**2023 RM'000**	**2024 RM'000**
31 December 2023	**–**	3,861
31 December 2022	**3,821**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Other income

	Group	
	2023	**2022**
	RM'000	**RM'000**
Disbursement income	**3,938**	4,836
Interest income on financial assets measured at amortised cost		
– ZICOlaw network firms	**1,700**	991
– Associated companies	**530**	489
– Bank deposits	**376**	1,134
Rental income	**71**	–
Government grant income	**1,076**	829
Others	**1,935**	786
	9,626	9,065

6. Other gains and (losses) – Others

	Group	
	2023	**2022**
	RM'000	**RM'000**
Plant and equipment written off	**–**	(123)
(Loss)/Gain on disposal of property, plant and equipment	**(72)**	24
Gain/(Loss) on disposal of investment[1]	**–**	(1,560)
Unrealised gain on foreign exchange, net	**2,360**	1,537
Realised foreign exchange loss, net	**(93)**	(339)
Impairment of goodwill (Note 15)	**(500)**	–
	1,695	(461)

On 23 November 2022, the Group completed the disposal of 50% equity interest in Fragomen ZICO Inc. with a third party for a total consideration of USD2,022,873. Pursuant to the sales and purchase agreement, the Group transferred the shares and recorded a loss on disposal of investment of RM1,560,000.

7. Amortisation and depreciation expenses

	Group	
	2023	**2022**
	RM'000	**RM'000**
Amortisation of intangible assets (Note 15)	**1,020**	2,018
Depreciation of plant and equipment (Note 13)	**867**	904
Depreciation of right-of-use assets (Note 14)	**3,384**	3,546
	5,271	6,468

8. Employee benefits expense

	Group 2023 RM'000	Group 2022 RM'000
Salaries, wages, bonuses and other short-term staff benefits	**46,350**	47,596
Contributions to defined contribution plans	**4,069**	3,715
Share-based payments (Note 24)	**92**	97
Foreign exchange gain related to share-based payments	**–**	(5)
	50,511	51,403

Included in the employee benefits expense were the remuneration of directors of the Company and other key management personnel of the Group as set out in Note 32(b).

9. Other expenses

	Group 2023 RM'000	Group 2022 RM'000
Audit fees		
– auditors of the Company	**519**	482
– other auditors*	**168**	298
Disbursements	**80**	110
Postage and courier charges	**563**	516
Printing and stationery	**533**	475
Travelling and entertainment	**1,233**	764
Insurance	**1,978**	1,570
Maintenance and upkeep of office	**168**	442
IT maintenance	**1,497**	1,452
Professional fee	**170**	117
Secretarial fee	**73**	170
Registration and processing	**1,024**	987
Others	**4,564**	4,224
	12,570	11,607

* Included independent member firms of PKF International Network

10. Finance costs

	Group 2023 RM'000	Group 2022 RM'000
Interest on lease liabilities (Note 14)	**849**	533
Revolving credit facility ("RCF") charges (Note 28)	**1,399**	895
Overdraft charges	**431**	1,122
Term loan ("TL") charges (Note 28)	**235**	286
Hire purchase interest	**6**	–
	2,920	2,836

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11. Income tax expense

	Group 2023 RM'000	Group 2022 RM'000
Tax expense attributable to profit is made up of:		
– Current income tax	**1,160**	405
– Deferred income tax (Note 20)	**2,173**	(2,252)
	3,333	(1,847)
Under/(over) provision in prior financial years		
– Current income tax	**53**	(179)
– Deferred income tax (Note 20)	**–**	179
	53	–
Withholding tax	**80**	348
	3,466	(1,499)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the domestic statutory income tax rates applicable to the countries where the Group operates due to the following factors:

	Group 2023 RM'000	Group 2022 RM'000
Loss before income tax	**(21,117)**	(946)
Share of results of associated companies, net of tax	**(287)**	(36)
Share of results of joint venture, net of tax	**–**	(2,243)
Loss before tax and share of results of associated companies and joint venture	**(21,404)**	(3,225)
Income tax expense calculated at the applicable tax rates in the respective countries	**(4,372)**	523
Effects of:		
– expenses not deductible for tax purposes	**5,466**	1,303
– income not subject to tax	**(2,580)**	(1,335)
– income tax exemption	**(256)**	(650)
– utilisation of previously unrecognised tax losses	**(309)**	(2,054)
– utilisation of capital allowances	**(134)**	–
– deferred tax assets not recognised	**3,159**	282
– reversal of deferred tax assets	**2,395**	–
– under provision of tax in prior financial year	**53**	–
– withholding tax	**80**	348
– others	**(36)**	84
Tax charge	**3,466**	(1,499)

In accordance with the Labuan Business Activity Tax Act, 1990, the Company is carrying on an offshore business activity which is an offshore non-trading activity for the basis period for year of assessment and therefore shall not be charged to tax for that year of assessment.

12. Losses per share

Basic losses per share is calculated by dividing the loss attributable to holder of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023	**2022**
Loss attributable to equity holders of the Company (RM'000)	**(24,939)**	(865)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**370,264**	342,759
Basic losses per share (RM per share)	**(0.067)**	(0.003)
Weighted average number of ordinary shares outstanding for basic earnings per share on a fully diluted basis ('000)	**372,998**	345,917
Diluted losses per share (RM per share)	**(0.067)**	(0.003)

Basic losses per share and diluted losses per share are RM0.067 for the financial years ended 31 December 2023 and RM0.003 for financial year ended 31 December 2022.

13. Plant and equipment

	Motor vehicles RM'000	Computer hardware RM'000	Office equipment RM'000	Leasehold improvement RM'000	Total RM'000
Group					
2023					
Cost					
Beginning of financial year	**230**	**3,864**	**3,166**	**4,809**	**12,069**
Additions	**221**	**171**	**58**	**250**	**700**
Disposal	**(147)**	**(222)**	**(179)**	**(2,442)**	**(2,990)**
Currency translation differences	**3**	**88**	**80**	**275**	**446**
End of financial year	**307**	**3,901**	**3,125**	**2,892**	**10,225**
Accumulated depreciation					
Beginning of financial year	**230**	**3,623**	**2,445**	**3,123**	**9,421**
Depreciation charge	**33**	**225**	**232**	**377**	**867**
Disposal	**(147)**	**(220)**	**(159)**	**(2,266)**	**(2,792)**
Currency translation differences	**3**	**68**	**53**	**194**	**318**
End of financial year	**119**	**3,696**	**2,571**	**1,428**	**7,814**
Net book value					
End of financial year	**188**	**205**	**554**	**1,464**	**2,411**

NOTES TO THE FINANCIAL STATEMENTS

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13. Plant and equipment (continued)

	Motor vehicles RM'000	**Computer hardware RM'000**	**Office equipment RM'000**	**Leasehold improvement RM'000**	**Total RM'000**
Group					
2022					
Cost					
Beginning of financial year	510	3,707	3,876	5,384	13,477
Additions	–	190	333	1,130	1,653
Disposal	(284)	(78)	(1,073)	(517)	(1,952)
Write off	–	(5)	(8)	(1,375)	(1,388)
Currency translation differences	4	50	38	187	279
End of financial year	230	3,864	3,166	4,809	12,069
Accumulated depreciation					
Beginning of financial year	510	3,551	3,060	4,344	11,465
Depreciation charge	–	174	288	442	904
Disposal	(284)	(81)	(878)	(490)	(1,733)
Write off	–	(4)	(7)	(1,252)	(1,263)
Currency translation differences	4	(17)	(18)	79	48
End of financial year	230	3,623	2,445	3,123	9,421
Net book value					
End of financial year	–	241	721	1,686	2,648

	Computer hardware RM'000	**Office equipment RM'000**	**Leasehold improvement RM'000**	**Total RM'000**
Company				
2023				
Cost				
Beginning of financial year	**–**	**–**	**72**	**72**
Currency translation differences	**–**	**–**	**4**	**4**
End of financial year	**–**	**–**	**76**	**76**
Accumulated depreciation				
Beginning of financial year	**–**	**–**	**6**	**6**
Depreciation charge	**–**	**–**	**7**	**7**
Currency translation differences	**–**	**–**	**1**	**1**
End of financial year	**–**	**–**	**14**	**14**
Net book value				
End of financial year	**–**	**–**	**62**	**62**

13. Plant and equipment (continued)

	Computer hardware RM'000	Office equipment RM'000	Leasehold improvement RM'000	Total RM'000
Company				
2022				
Cost				
Beginning of financial year	1	2	194	197
Additions	–	–	70	70
Disposal	(1)	(2)	(201)	(204)
Currency translation differences	–	–	9	9
End of financial year	–	–	72	72
Accumulated depreciation				
Beginning of financial year	1	1	143	145
Depreciation charge	–	–	6	6
Disposal	(1)	(1)	(148)	(150)
Currency translation differences	–	–	5	5
End of financial year	–	–	6	6
Net book value				
End of financial year	–	–	66	66

14. Lease

Group as a lessee

<u>Nature of the Group's and the Company's leasing activities</u>

The Group's and the Company's leasing activities comprise the following:

i) The Group lease office units from non-related parties. The leases have an average tenure of between three to five years; and

ii) In addition, the Group leases certain office units and apartment with contractual terms of 12 months or below. These leases are short-term and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of the lease liabilities is disclosed in Note 34.3.

14. Lease (continued)

Group as a lessee (continued)

Information about leases for which the Group and the Company are a lessee is presented below:

a. Carrying amounts of right-of-use assets

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Office units	**8,831**	9,311	**–**	–

b. Lease liability

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Presented in statement of financial position				
– Current	**2,630**	1,455	**–**	–
– Non-current	**7,112**	8,429	**–**	–
	9,742	9,884	**–**	–

c. Amount recognised in profit or loss

	Group	
	2023	**2022**
	RM'000	**RM'000**
Depreciation of right-of-use assets	**3,384**	3,546
Short-term lease expenses	**688**	449
Interest expense on lease liabilities	**849**	533
	4,921	4,528

d. Total cash flows

The Group had total cash outflows for leases of RM3,878,000 (2022: RM4,213,000).

14. Lease (continued)

Group as a lessee (continued)

d. Total cash flows (continued)

A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Balance at 1 January	**9,884**	2,083
Changes from financing cash flows:		
– Repayments	**(3,029)**	(3,680)
– Interest paid	**(849)**	(533)
Non-cash changes:		
– Interest expense	**849**	533
– Additions of new leases	**2,113**	8,381
– Termination of leases	**–**	(3,496)
– Modification of lease liabilities	**302**	6,612
Effect of changes in foreign exchange rates	**472**	(16)
Balance at 31 December	**9,742**	9,884

Future cash outflows which are not capitalised in lease liabilities

Extension options

The leases of office units contain extension options, for which the related lease payments had not been included in the lease liabilities as the Group and the Company are not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's and the Company's operations. The majority of extension option held are exercisable only by the Group and the Company.

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15. Intangible assets

	Computer software RM'000	Goodwill RM'000	Trademark RM'000	Customer acquisition costs RM'000	Customer relationships RM'000	Total RM'000
Group						
2023						
Cost						
Beginning of financial year	**13,216**	**23,905**	**2,000**	**4,077**	**8,475**	**51,673**
Additions	**5**	**–**	**–**	**–**	**–**	**5**
Currency translation differences	**61**	**1,087**	**–**	**249**	**96**	**1,493**
End of financial year	**13,282**	**24,992**	**2,000**	**4,326**	**8,571**	**53,171**
Accumulated amortisation and impairment						
Beginning of financial year	**12,853**	**–**	**680**	**3,919**	**4,553**	**22,005**
Amortisation	**215**	**–**	**50**	**139**	**616**	**1,020**
Impairment	**–**	**500**	**–**	**–**	**–**	**500**
Currency translation differences	**62**	**–**	**–**	**243**	**52**	**357**
End of financial year	**13,130**	**500**	**730**	**4,301**	**5,221**	**23,882**
Representing:						
Accumulated amortisation	**13,130**	**–**	**730**	**4,022**	**5,221**	**23,103**
Accumulated impairment	**–**	**500**	**–**	**279**	**–**	**779**
	13,130	**500**	**730**	**4,301**	**5,221**	**23,882**
Net book value						
End of financial year	**152**	**24,492**	**1,270**	**25**	**3,350**	**29,289**
2022						
Cost						
Beginning of financial year	13,093	22,858	2,000	3,838	7,978	49,767
Additions	61	–	–	–	–	61
Currency translation differences	62	1,047	–	239	497	1,845
End of financial year	13,216	23,905	2,000	4,077	8,475	51,673
Accumulated amortisation and impairment						
Beginning of financial year	11,808	–	630	3,240	3,774	19,452
Amortisation	926	–	50	463	579	2,018
Currency translation differences	119	–	–	216	200	535
End of financial year	12,853	–	680	3,919	4,553	22,005
Representing:						
Accumulated amortisation	12,853	–	680	3,656	4,553	21,742
Accumulated impairment	–	–	–	263	–	263
	12,853	–	680	3,919	4,553	22,005
Net book value						
End of financial year	363	23,905	1,320	158	3,922	29,668

15. Intangible assets (continued)

	Computer software RM'000	Customer acquisition costs RM'000	Total RM'000
Company			
2023			
Cost			
Beginning of financial year	**20**	**4,077**	**4,097**
Currency translation differences	**1**	**249**	**250**
End of financial year	**21**	**4,326**	**4,347**
Accumulated amortisation			
Beginning of financial year	**16**	**3,918**	**3,934**
Amortisation	**4**	**139**	**143**
Currency translation differences	**1**	**243**	**244**
End of financial year	**21**	**4,300**	**4,321**
Net book value			
End of financial year	**–**	**26**	**26**
2022			
Cost			
Beginning of financial year	19	3,838	3,857
Currency translation differences	1	239	240
End of financial year	20	4,077	4,097
Accumulated amortisation			
Beginning of financial year	11	3,240	3,251
Amortisation	4	476	480
Currency translation differences	1	202	203
End of financial year	16	3,918	3,934
Net book value			
End of financial year	4	159	163

Trademark

The trademark is amortised on a straight-line basis over a period of forty years. Amortisation expense was included within "amortisation and depreciation expenses" in the statement of comprehensive income.

Goodwill

Goodwill is attributable mainly to the acquired workforce and marketing network and the synergies expected to be achieved from integrating the investees into the Group's existing businesses.

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15. Intangible assets (continued)

Goodwill (continued)

Impairment tests for goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units ("CGU") identified according to services provided by the entities and business segments as follows:

	Advisory and transactional services	
	2023	**2022**
	RM'000	**RM'000**
B.A.C.S. Private Limited ("B.A.C.S.")	**18,922**	17,835
ZICO Corporate Services Sdn. Bhd.	**1,216**	1,216
ZICO (Labuan) LLP	**964**	964
ZICOlaw Myanmar Limited	**–**	500
ZICOlaw (Laos) Sole Co., Ltd.	**316**	316
ZICO International Corporation	**26**	26
ZICOlaw (Thailand) Limited	**3,048**	3,048
	24,492	23,905

The recoverable amount of the CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the business in which the CGU operates.

An impairment charge of RM500,000 (2022: Nil) is included within "Other expenses" in the statement of comprehensive income. The impairment charge in the current financial year arose from the CGU in Myanmar following a decision to downsize operation due to political instability.

Key estimates used for value-in-use calculations

	Group	
	2023	**2022**
	%	**%**
Revenue – Compound Annual Growth Rate		
B.A.C.S. Private Limited	**13.62**	9.36
ZICO Corporate Services Sdn. Bhd.	**7.74**	10.05
ZICO (Labuan) LLP	**10.00**	10.00
ZICOlaw Myanmar Limited	**(46.1)**	6.15
ZICOlaw (Laos) Sole Co., Ltd.	**17.9**	(7.00)
ZICOlaw (Thailand) Limited	**11.29**	2.11

15. Intangible assets (continued)

Goodwill (continued)

Key estimates used for value-in-use calculations (continued)

	Group	
	2023	**2022**
	%	**%**
Pre-tax weighted average cost of capital		
B.A.C.S. Private Limited	**12.0**	12.0
ZICO Corporate Services Sdn. Bhd.	**13.2**	13.2
ZICO (Labuan) LLP	**13.2**	12.1
ZICOlaw Myanmar Limited	**18.5**	20.6
ZICOlaw (Laos) Sole Co., Ltd.	**17.5**	15.8
ZICOlaw (Thailand) Limited	**11.8**	11.8
Terminal growth rate		
B.A.C.S. Private Limited	**2.0**	2.0
ZICO Corporate Services Sdn. Bhd.	**2.0**	2.0
ZICO (Labuan) LLP	**2.0**	2.0
ZICOlaw Myanmar Limited	**2.0**	2.0
ZICOlaw (Laos) Sole Co., Ltd.	**2.0**	2.0
ZICOlaw (Thailand) Limited	**2.0**	2.0

These assumptions were used for the analysis of each CGU within the business segment. Management determined revenue growth rates based on past performance and its expectations of the future business developments. These key inputs and assumptions were estimated by management based on prevailing market and economic conditions at the financial position date. The discount rates used were pre-tax and reflected specific risks relating to the relevant territories.

As at 31 December 2023 and 31 December 2022, the recoverable amounts of the CGUs were higher than the respective carrying amounts and thus, no impairment charge was recorded, except for the impairment on goodwill of RM500,000 recognized for ZICOlaw Myanmar Limited in the financial year 2023.

Sensitivity to changes in assumptions

For its goodwill attributable to B.A.C.S., ZICO Corporate Services Sdn. Bhd., ZICO (Labuan) LLP, ZICOlaw (Laos) Sole Co., Ltd. and ZICOlaw (Thailand) Limited, if the estimated revenue growth rate in year 2024 used in the value-in-use calculation had been 13.4, 36.4, nil, 48.2 and 15.9 percentage point lower than management's estimates respectively, the respective recoverable amount would have been equal to its carrying amount.

Customer acquisition costs

The balance pertains to the customers acquired by the Group from Stamford Law Corporation for a purchase consideration of S$1,556,897 (equivalent of RM4,813,422).

The Group has reassessed the useful lives of its intangible assets and determined that a change in useful lives is not required. Amortisation expense has been included within "amortisation and depreciation expenses" in the consolidated statement of comprehensive income.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. Intangible assets (continued)

Customer relationships

The balance pertains to the customers acquired by the Group from the acquisition of B.A.C.S.. The Group has reassessed the useful lives of its intangible assets and determined that a change in useful lives is not required. Amortisation expense has been included within "amortisation and depreciation expenses" in the consolidated statement of comprehensive income.

16. Investments in subsidiaries

	Company	
	2023	**2022**
	RM'000	**RM'000**
Equity investments, at cost		
Beginning of financial year	**43,161**	40,536
Additions	**3,030**	–
Disposal	**–**	–
Capital contribution in the form of share awards issued to employees of subsidiaries	**–**	98
Currency translation differences	**2,526**	2,527
End of financial year	**48,717**	43,161

a) Details of subsidiaries held by the Company are:

Name of subsidiary	Principal place of business and country of incorporation	Principal activities	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
ZICO Malaysia Sdn. Bhd.[1]	Malaysia	Investment holding	**100**	100	**–**	–
ASEAN Advisory Pte. Ltd.[2]	Singapore	Business and management consultancy services	**100**	100	**–**	–
ZICO RMC Pte. Ltd.[2]	Singapore	Business and management consultancy services	**100**	100	**–**	–
B.A.C.S Sdn. Bhd.[6]	Malaysia	Business and management consultancy services	**100**	100	**–**	–

16. Investments in subsidiaries (continued)

a) Details of subsidiaries held by the Company are (continued):

Name of subsidiary	Principal place of business and country of incorporation	Principal activities	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
ZICO (Labuan) LLP[6]	Federal Territory of Labuan	Consultancy services	**100**	100	**–**	–
ZICO International Corporation[6]	Federal Territory of Labuan	Investment holding	**100**	100	**–**	–
ZICO Consultancy Limited[6]	Federal Territory of Labuan	Investment holding	**100**	100	**–**	–
ZICO Consultancy Sdn. Bhd.[1]	Malaysia	Business and management consultancy services	**100**	100	**–**	–
ZICO Shariah Advisory Services Sdn. Bhd.[1]	Malaysia	Shariah advisory services	**100**	100	**–**	–
ZICO Corporate Services Sdn. Bhd.[1]	Malaysia	Company secretarial, corporate services and related consultancy services	**100**	100	**–**	–
ZICO Trust Limited[1]	Federal Territory of Labuan	Trust services, company secretarial, corporate services and related consultancy services	**100**	100	**–**	–
ZICO IP Inc.[5]	British Virgin Islands	Owner of intellectual property rights	**100**	100	**–**	–
PT ZICO Konsultan Indonesia[3]	Indonesia	Business and management consultancy services	**100**	100	**–**	–
ZICOlaw Myanmar Limited[4]	Myanmar	Legal advisory and consultancy services	**100**	100	**–**	–
ZICOlaw (Laos) Sole Co., Ltd.[6]	Lao PDR	Legal advisory and consultancy services	**100**	100	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Investments in subsidiaries (continued)

a) Details of subsidiaries held by the Company are (continued):

Name of subsidiary	Principal place of business and country of incorporation	Principal activities	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023	**2022**	**2023**	**2022**
			%	**%**	**%**	**%**
ZICO Secretarial Services Sdn. Bhd.[1]	Malaysia	Company secretarial, corporate services and related consultancy services	**100**	100	**–**	–
ZICO Corporate Services Pte. Ltd.[2]	Singapore	Company secretarial, corporate services and related consultancy services	**100**	100	**–**	–
ZICO-Stamford Corporate Services Pte. Ltd.[2]	Singapore	Company secretarial, corporate services and related consultancy services	**51**	51	**49**	49
ZICO Trust (S) Ltd.[2]	Singapore	Trustee, fiduciary and custody services, business and management consultancy services	**51**	51	**49**	49
ZICO Secretarial Limited[6]	Federal Territory of Labuan	Company secretarial, corporate services and related consultancy services	**100**	100	**–**	–
ZICOInsource Sdn. Bhd.[1]	Malaysia	Insourcing, outsourcing and consultancy services	**80**	80	**20**	20
ZICOInsource Inc.[6]	Federal Territory of Labuan	Resourcing and advisory services	**80**	80	**20**	20
ZICO Knowledge Services Sdn. Bhd.[1]	Malaysia	Business support service	**100**	100	**–**	–
B.A.C.S. Private Limited[2]	Singapore	Share registration services	**100**	100	**–**	–
ZICO Regional IP Inc.[5]	Federal Territory of Labuan	Investment holding	**51**	51	**49**	49
ZATS Management Ltd.[5]	British Virgin Islands	Nominee director company	**51**	51	**49**	49

16. Investments in subsidiaries (continued)

a) Details of subsidiaries held by the Company are (continued):

Name of subsidiary	Principal place of business and country of incorporation	Principal activities	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2023 %	2022 %	2023 %	2022 %
ZICO AA Sdn. Bhd.[1]	Malaysia	Business and management consultancy services	**100**	100	**–**	–
ZICO Capital Pte. Ltd.[2]	Singapore	Corporate finance advisory and capital markets services	**90**	90	**10**	10
ZICO Asset Management Pte. Ltd.[2]	Singapore	Asset, wealth and legacy management	**100**	75	**–**	25
ZICO Capital International Inc.[6]	Federal Territory of Labuan	Investment holding	**100**	100	**–**	–
ZICO Capital Sdn. Bhd.[1]	Malaysia	Corporate finance advisory services	**96**	96	**4**	4
ZICO IP Asean Inc.[6]	Federal Territory of Labuan	Provide marketing services in relation to intellectual property-related services in ASEAN countries	**51**	51	**49**	49
ZICOlaw (Thailand) Limited[7]*	Thailand	Legal advisory and consultancy services	**49**	49	**51**	51
ZICO Trademark Pte. Ltd[2]	Singapore	Leasing of non-financial intangible assets	**100**	100	**–**	–

Notes:
(1) Audited by independent overseas member firms of PKF International.
(2) Audited by PKF-CAP LLP.
(3) Audited by Tanubrata Sutanto Fahmi & Rekan, Certified Public Accountants, a member firm of BDO International.
(4) Audited by Win Thin & Associates, Certified Public Accountants.
(5) Not required to be audited as the subsidiary is dormant since the date of its incorporation.
(6) The subsidiary is not material to the Group.
(7) Audited by N&W office.
* Deemed to be a subsidiary of ZICO Holdings Inc. as ZICO Malaysia Sdn. Bhd. has the ability to appoint 3 out of 5 directors on the Board of ZICOlaw (Thailand) Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Investments in subsidiaries (continued)

b) Summarised financial information of subsidiaries with material non-controlling interests:

Carrying value of non-controlling interests

	Group	
	2023	**2022**
	RM'000	**RM'000**
ZICO Trust (S) Ltd.	**3,849**	3,936
ZICOlaw (Thailand) Limited	**(4,073)**	(3,557)
Other subsidiaries with immaterial non-controlling interest	**(2,452)**	1,536
Total	**(2,676)**	1,915

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 December 2023 and 31 December 2022, except for dividends as disclosed in Note 31.

Summarised statement of financial position

	ZICO Trust (S) Ltd. As at 31 December		ZICOlaw (Thailand) Limited As at 31 December	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Assets	**10,309**	10,013	**9,560**	4,364
Liabilities	**(3,305)**	(2,469)	**(15,469)**	(11,374)
Total current net assets/(liabilities)	**7,004**	7,544	**(5,909)**	(7,010)
Non-current				
Assets	**1,079**	1,886	**247**	36
Liabilities	**(228)**	(1,398)	**(2,324)**	–
Total non-current net assets	**851**	488	**(2,077)**	36
Net assets/(liabilities)	**7,855**	8,032	**(7,986)**	(6,974)
Net assets/(liabilities) attributable to NCI	**3,849**	3,936	**(4,073)**	(3,557)

16. Investments in subsidiaries (continued)

b) Summarised financial information of subsidiaries with material non-controlling interests (continued):

Summarised statement of profit or loss and other comprehensive income

	ZICO Trust (S) Ltd. For year ended 31 December		ZICOlaw (Thailand) Limited For year ended 31 December	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue	**13,840**	13,469	**2,009**	4,749
Profit before income tax	**1,012**	1,614	**56**	1,222
Income tax expense	**(164)**	(359)	**–**	–
Profit for the financial year	**848**	1,255	**56**	1,222
Other comprehensive income/ (loss)	**466**	524	**(385)**	(113)
Total comprehensive income	**1,314**	1,779	**(329)**	1,109
Total comprehensive income allocated to non-controlling interests	**644**	871	**(168)**	566
Dividends paid to non-controlling interests	**792**	1,590	**–**	–

Summarised statement of cash flows

	ZICO Trust (S) Ltd. For year ended 31 December		ZICOlaw (Thailand) Limited For year ended 31 December	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
<u>Cash flows generated from/(used in) operating activities</u>				
Cash generated from/(used in) operations	**2,069**	6,984	**1,000**	(11,497)
Income tax paid	**(423)**	(203)	**–**	–
Net cash generated from/ (used in) operating activities	**1,646**	6,781	**1,000**	(11,497)
Net cash (used in)/generated from investing activities	**(1,047)**	(523)	**(211)**	1
Net cash used in financing activities	**2,450**	(1,900)	**–**	(528)

16. Investments in subsidiaries (continued)

c) Company level – impairment review of investments in subsidiaries

B.A.C.S. Private Limited

During the financial year, the management performed the impairment test for the investment in B.A.C.S.. The assessment by management did not result in an impairment charge to cost of investment in B.A.C.S. as at 31 December 2023, as the estimated recoverable amount of the investment in B.A.C.S. exceeded its carrying amount.

The recoverable amount of the investment in B.A.C.S. has been determined based on a value-in-use calculation using cash flow projections from forecasts approved by management covering a five-year period. Key estimates are disclosed in Note 15.

If the estimated revenue growth rate in year 2024 used in the value-in-use calculation had been 0.5 percentage point lower than management's estimates, the recoverable amount of the investment in B.A.C.S. would have been equal to its carrying amount.

d) Changes in ownership interest in subsidiaries

On 31 December 2022, the Group subscribed for 1,250,000 ordinary shares in a non-wholly owned subsidiary, ZICO Capital Sdn. Bhd. ("ZCSB") for a total consideration of RM1,250,000 by way of capitalising the advances given to the subsidiary. Consequently, the Group's effective equity interest in ZCSB increased from 94% to 96%.

On 30 June 2023, the Group acquired remaining 25% of the issued shares of ZICO Asset Management Pte Ltd ("ZAM") for a purchase consideration of SGD690,000. The Group now holds 100% of equity share capital of ZAM. The carrying amount of non-controlling interest in ZAM on the date of acquisition was SGD313,022. The Group derecognised non-controlling interest of SGD313,022. The effect of change in ownership interest in ZAM on the equity attributable to owner of the Company during the year is summarised as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Carrying amount of non-controlling interest acquired	**1,067**	–
Consideration paid to non-controlling interest	**(2,352)**	–
Excess of consideration paid recognised in parent equity	**(1,285)**	–

17. Investments in associated companies

The Group's investments in associated companies are summarised below:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Carrying amount:				
Sunflower Villa Sdn. Bhd.[1]	**–**	–	**–**	–
Goldfield Alliance Sdn. Bhd.	**–**	–	**–**	–
ShakeUp Online Sdn. Bhd.	**–**	–	**–**	–
ZICO Corporate Services Inc.	**–**	–	**2**	2
ZICO Trust (M) Berhad[2]	**1,927**	805	**–**	–
	1,927	805	**2**	2

(1) In December 2022, the Group disposed of 1 ordinary shares of Sunflower Villa Sdn Bhd, representing 50% of the total issued share capital of Sunflower Villa for a consideration of RM1.

(2) In December 2022, the Group subscribed for 20,000 ordinary shares, representing 40% of the total issued share capital of Plantinum Trustee Berhad ("the Company") for a total consideration of RM800,000. Consequently, the Company became an associate of the Group and changed its name to ZICO Trust (M) Berhad.

In FY2023, the Group subscribed for additional 200,000 ordinary shares, representing 40% of the total issued share capital of ZICO Trust (M) Berhad ("The Company") for a total consideration of RM800,000.

The following information relates to associated companies of the Group.

Name of entity	**Place of business/ country of incorporation**	**% of ownership interest**	
		2023	**2022**
		%	**%**
Goldfield Alliance Sdn. Bhd.[1]	Malaysia	**50**	50
ShakeUp Online Sdn. Bhd.[2]	Malaysia	**20**	20
ZICO Corporate Services Inc.[3]	Philippines	**40**	40
ZICO Trust (M) Berhad.[4][5]	Malaysia	**40**	40

Notes:

(1) Audited by Siew Boon Yong & Associates.

(2) Audited by SBY Partners PLT.

(3) Audited by Palinsad Jimenez & Associates CPA, Philippines.

(4) Audited by Crowe Malaysia PLT.

(5) Formerly known as Platinum Trustee Berhad.

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17. Investments in associated companies (continued)

Goldfield Alliance Sdn. Bhd. is an investment holding company.

ShakeUp Online Sdn. Bhd. provides online legal services. The associate is currently in start-up phase.

ZICO Corporate Services Inc. provides business, management, corporate and consultancy services.

ZICO Trust (M) Berhad provides trustee, fiduciary and custody services.

There are no contingent liabilities relating to the Group's interest in the associated companies, except as disclosed in Note 35.

Summarised financial information of associated companies

Set out below are the summarised financial information for ZICO Trust (M) Berhad, ShakeUp Online Sdn. Bhd. and ZICO Corporate Services Inc.

Summarised statement of financial position

	ShakeUp Online Sdn. Bhd. As at 31 December		ZICO Corporate Services Inc. As at 31 December		ZICO Trust (M) Berhad As at 31 December	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current assets	**148**	142	**1,755**	1,642	**1,225**	232
Current liabilities	**(8,473)**	(8,141)	**(7,070)**	(6,271)	**(266)**	(15)
Non-current assets	**59**	178	**555**	678	**1,916**	682
Non-current liabilities	**–**	–	**–**	–	**(253)**	(565)
Net (liabilities)/assets	**(8,266)**	(7,821)	**(4,760)**	(3,951)	**2,622**	334

Summarised statement of profit or loss and other comprehensive income

	ShakeUp Online Sdn. Bhd.		ZICO Corporate Services Inc.		ZICO Trust (M) Berhad	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue	**–**	–	**660**	391	**20,356**	–
Expenses:						
– Depreciation and amortisation	**(119)**	(264)	**(63)**	(56)	**(510)**	(88)
– Interest expense	**(274)**	(272)	**(249)**	(519)	**(28)**	(31)
(Loss)/Profit before tax	**(445)**	(543)	**(547)**	(1,438)	**1,172**	(368)
Income tax (expense)/credit	**–**	–	**116**	–	**(284)**	–
(Loss)/Profit after tax	**(445)**	(543)	**(431)**	(1,438)	**888**	(368)
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive loss	**(445)**	(543)	**(431)**	(1,438)	**888**	(368)

The information above reflects the amounts presented in the financial statements of the associated companies (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

17. Investments in associated companies (continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated companies, is as follows:

	ShakeUp Online Sdn. Bhd. As at 31 December		ZICO Corporate Services Inc. As at 31 December		ZICO Trust (M) Berhad As at 31 December	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Net assets						
At 1 January	**(7,821)**	(7,278)	**(3,951)**	(2,599)	**334**	702
(Loss)/Profit for the year	**(445)**	(543)	**(431)**	(1,438)	**888**	(368)
Currency translation	**–**	–	**(378)**	86	**–**	–
Capital injection	**–**	–	**–**	–	**1,400**	–
At 31 December	**(8,266)**	(7,821)	**(4,760)**	(3,951)	**2,622**	334
Interest in associated companies (20%; 40%)	**(1,653)**	(1,564)	**(1,904)**	(1,581)	**1,049**	134
Shares of losses not recognised	**1,441**	1,352	**1,902**	1,579	**–**	–
Other adjustment	**–**	–	**2**	2	**–**	–
– Fair value adjustment	**212**	212	**–**	–	**–**	–

The unrecognised share of losses in Goldfield Alliance Sdn. Bhd., ShakeUp Online Sdn. Bhd., ZICO Corporate Services Inc. and ZICO Trust (M) Berhad amount to Nil, RM89,000, RM324,000, Nil (2022: Nil, RM109,000 and RM541,000, Nil), respectively, in the current financial year and RM13,000, RM1,441,000, RM1,902,000 and Nil (2022: RM22,000, RM1,352,000, RM1,579,000 and Nil), on a cumulative basis. The Group has stopped recognising its share of losses since there are no further obligations in respect of those losses using the equity method of accounting.

18. Investment in joint venture

In the year 2022, the Group completed the disposal of 50% equity interest in Fragomen ZICO Inc. with a third party for a total consideration of USD2,022,873. The loss is recognised in note 6.

19. Investments

	Group	
	2023 RM'000	**2022 RM'000**
Financial assets, FVOCI[i]	**438**	886
	438	886

(i) Financial assets, FVOCI represent the Group's interest in quoted equity investments in Singapore. These instruments are included in Level 1 of the fair value hierarchy (Note 34.5).

During the financial year ended 31 December 2023, the Group disposed partial listed equity securities as the underlying investment was no longer aligned with the Group's long-term investment strategy. These investments had a fair value of RM117,000 (2022: RM1,771,000) at the date of disposal, and the cumulative gain on disposal amounted to RM119,000 (2022: loss of RM985,000), net of tax. The cumulative gain/(loss) on disposal was reclassified from fair value reserve to retained earnings.

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20. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the financial position as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Deferred income tax assets		
– To be recovered after one year	**8,857**	11,227
Deferred income tax liabilities		
– To be settled after one year	**(731)**	(766)
	8,126	10,461

Movement in deferred income taxes account is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Beginning of financial year	**10,461**	7,839
Currency translation differences	**(112)**	(230)
(Charged)/Credited to profit or loss	**(2,173)**	2,851
Others	**(50)**	1
End of financial year	**8,126**	10,461

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of RM49,972,000 (2022: RM54,891,000) at the financial position date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry dates except in Malaysia, where losses amounting to RM29,148,000 (2022: RM22,358,000), representing the total losses unrecognised to-date, can be carried forward for a maximum of 10 (2022: 10) consecutive years of assessment and will expire in 2033 to 2034 (2022: 2032 to 2033).

20. Deferred income taxes (continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax assets

	Provisions RM'000	**Tax losses RM'000**	**Total RM'000**
Group			
2023			
Beginning of financial year	**7**	**11,220**	**11,227**
Currency translation differences	**–**	**(42)**	**(42)**
Credited to profit or loss	**–**	**(2,278)**	**(2,278)**
Others	**–**	**(50)**	**(50)**
End of financial year	**7**	**8,850**	**8,857**
2022			
Beginning of financial year	7	8,541	8,548
Currency translation differences	–	(73)	(73)
Credited to profit or loss	–	2,752	2,752
End of financial year	7	11,220	11,227

Deferred income tax liabilities

	Accelerated tax depreciation RM'000	**Intangible assets RM'000**	**Total RM'000**
Group			
2023			
Beginning of financial year	**315**	**(1,081)**	**(766)**
Currency translation differences	**(4)**	**(66)**	**(70)**
Charged to profit or loss	**–**	**105**	**105**
End of financial year	**311**	**(1,042)**	**(731)**
2022			
Beginning of financial year	319	(1,028)	(709)
Currency translation differences	(4)	(153)	(157)
Credited/(charged) to profit or loss	–	99	99
Others	–	1	1
End of financial year	315	(1,081)	(766)

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21. Trade and other receivables and contract assets

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current assets				
Trade receivables				
– other third parties	**17,652**	23,087	**–**	–
Less: Loss allowance	**(4,292)**	(3,791)	**–**	–
	13,360	19,296	**–**	–
– ZICOlaw network firms	**299**	3,123	**–**	–
Less: Loss allowance	**(50)**	(95)	**–**	–
	249	3,028	**–**	–
– subsidiaries	**–**	–	**15,090**	11,654
Less: Loss allowance	**–**	–	**(22)**	(22)
	–	–	**15,068**	11,632
Total current trade receivables	**13,609**	22,324	**15,068**	11,632
Non-trade receivables				
– other third parties	**4,384**	6,522	**406**	346
Less: Loss allowance	**(49)**	–	**–**	–
	4,335	6,522	**406**	346
– ZICOlaw network firms	**3,215**	2,802	**–**	–
Less: Loss allowance	**(70)**	(79)	**–**	–
	3,145	2,723	**–**	–
– joint venture	**–**	–	**–**	8
– associated companies	**399**	6,935	**–**	7,362
Less: Loss allowance	**(3)**	(721)	**–**	(792)
	396	6,214	**–**	6,570
– subsidiaries	**–**	–	**26,569**	12,313
Less: Loss allowance	**–**	–	**(3,255)**	–
	–	–	**23,314**	12,313
Total current non-trade receivables	**7,876**	15,459	**23,720**	19,237
Deposits	**1,447**	1,444	**35**	34
	22,932	39,227	**38,823**	30,903

21. Trade and other receivables and contract assets (continued)

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current assets				
Trade receivables				
– ZICOlaw network firms	**34,355**	34,942	**–**	–
Less: Loss allowance	**(646)**	(645)	**–**	–
	33,709	34,297	**–**	–
Non-trade receivables				
– ZICOlaw network firms	**12,653**	12,625	**114**	92
Less: Loss allowance	**(186)**	(133)	**–**	–
	12,467	12,492	**114**	92
– associated companies	**8,480**	7,581	**1,157**	919
Less: Loss allowance	**(2,679)**	(1,078)	**(365)**	(114)
	5,801	6,503	**792**	805
– subsidiaries	**–**	–	**68,524**	66,959
	18,268	18,995	**69,430**	67,856
	51,977	53,292	**69,430**	67,856
Trade and other receivables	**74,909**	92,519	**108,253**	98,759
Contract assets				
– third parties	**10,164**	9,138	**–**	–
Less: Loss allowance	**(1,696)**	(1,599)	**–**	–
	8,468	7,539	**–**	–
Total	**83,377**	100,058	**108,253**	98,759

Trade receivables are unsecured and are generally on 14 to 60 days (2022: 14 to 60 days) credit terms.

Current non-trade receivables from other third parties, joint venture, associated companies and subsidiaries are unsecured, interest free, repayable on demand and expected to be settled in cash. Non-current non-trade receivables from associated companies are expected to be received 12 months after the financial position date and are subjected to an interest charge of 4% (2022: 4%) per annum.

Trade and non-trade receivables due from ZICOlaw network firms amounted to RM33,958,000 (2022: RM37,325,000) and RM15,612,000 (2022: RM15,215,000) after providing for loss allowances. As at 31 December 2023, balances aged more than one year amounting to RM47,008,000 will be subjected to an interest charge of 4% per annum in subsequent years. During the current financial year, interest of 4% (2022: 4%) per annum had been charged on balances aged more than one year as mutually agreed by the parties.

The non-trade amount of the Company of RM68,524,000 (2022: RM66,959,000) due from subsidiaries is considered to be part of the Company's net investment in these subsidiaries.

Deposits mainly relate to the rental deposits of office premises.

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22. Cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	**16,459**	16,888	**2,998**	2,211

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances (as above)	**16,459**	16,888	**2,998**	2,211
Less: Bank overdrafts (Note 28)	**(6,353)**	(8,318)	**–**	–
Cash and cash equivalents per statement of cash flows	**10,106**	8,570	**2,998**	2,211

23. Other current assets

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Monies held in trust for clients	**2,559**	3,975	**–**	–
Fixed deposit	**1,516**	15,591	**697**	15,591
Bank balances with restricted use	**6**	6	**6**	6
	4,081	19,572	**703**	15,597

24. Share capital

	Group and Company			
	2023	**2022**	**2023**	**2022**
	Number of ordinary shares		**RM'000**	**RM'000**
Issued and fully paid:				
Beginning of financial year	**349,461,791**	327,036,477	**103,086**	95,314
Issue of new ordinary shares[1]	**423,766**	425,314	**92**	97
Issue of new ordinary shares[2]	**30,000,000**	22,000,000	**9,104**	7,675
At end of financial year	**379,885,557**	349,461,791	**112,282**	103,086

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

(1) The newly issued shares of 423,766 (2022: 425,314) were share awards vested under Performance Share Plan granted on 17 March 2023 (2022: 4 March 2022).

(2) The issuance of 30,000,000 new ordinary shares to Tan Sri Dr. Nik Norzrul Thani bin N. Hassan Thani on 27 April 2023 and 22,000,000 placement shares to Dynac Sdn Bhd on 21 April 2022.

The newly issued shares rank pari passu in all aspects with the previously issued shares.

25. Share-based reserve

	Group and Company	
	2023	**2022**
	RM'000	**RM'000**
Share options reserve	**556**	556
Share awards reserve	**1,550**	1,550
	2,106	2,106

Share options reserve

ZICO Holdings Employee Share Option Scheme

The ZICO Holdings Employee Share Option Scheme ("ESOS") was approved and adopted at the Company's extraordinary general meeting held on 19 September 2014 and will continue to remain in force until 18 September 2024, unless terminated in accordance with the Rules of the ESOS. The ESOS is administered by the Remuneration Committee comprising Mr Chew Liong Kim, Mr John Lim Yew Kong and Mr Yap Tien Wei (the "Committee"). The ESOS provides for the grant of incentive share options to employees and directors of the Group.

Under the ESOS, the total number of shares over which the Committee may grant options on any date, when added to the number of shares issued and issuable in respect of (a) all options granted under the ESOS; (b) all awards granted under the PSP; and (c) all outstanding options or awards granted under such other share-based incentive schemes of the Company, shall not exceed 15% of the number of issued shares (including treasury shares) on the day immediately preceding the offer date of the option.

The aggregate number of shares issued and issuable in respect of all options granted under the ESOS available to the controlling shareholders or associates of the controlling shareholders shall not exceed 25% of the total number of shares available under the ESOS.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), at any time, by a participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof), at any time, by a participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier date as may be determined by the Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

25. Share-based reserve (continued)

Share options reserve (continued)

ZICO Holdings Employee Share Option Scheme (continued)

An option shall, to the extent unexercised, immediately lapse and become null and void and a participant shall have no claim against the Company:

a) subject to the rules of the ESOS, upon the participant ceasing to be in employment of the Company or any of the companies within the Group for any reason whatsoever;

b) upon the bankruptcy of the participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such option; or

c) in the event of misconduct on the part of the participant, as determined by the Committee.

	Group and Company	
	2023	**2022**
	RM'000	**RM'000**
Beginning and end of financial year	**556**	556

The outstanding number of options at the end of the reporting period was:

Exercise price	**Grant date**	**Exercise period**	**2023 Number of options**
S$0.24	31 October 2014	1 November 2016 to 30 October 2024	**3,300,000**

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the financial year as well as the movements during the financial year.

	2023 and 2022	
	Number of options	**Weighted average exercise price S$**
Outstanding and exercisable at 1 January, 31 December 2022 and 31 December 2023	**3,300,000**	**0.24**

The share options outstanding as at the end of the financial year have a remaining contractual life of 1 year (2022: 2 years).

25. Share-based reserve (continued)

Share options reserve (continued)

ZICO Holdings Employee Share Option Scheme (continued)

The fair value of options granted on 31 October 2014 was RM556,033. The estimate of the fair value of each option issued on grant date was based on the Black Scholes option pricing model. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculation takes into consideration factors like behavioural considerations and non-transferability of the options granted.

The Black Scholes option pricing model used the following assumptions:

	2014
Weighted average share price (RM)	0.78
Weighted average exercise price (RM)	0.62
Dividend yield expected	2.00%
Risk-free annual interest rates	2.5%
Expected volatility	0.10%
Expected life	5 years

Expected volatility was determined by calculating the historical volatility of the Company's share price over a period similar to the expected lives of the option. The expected lives used in the model have been adjusted, based on management best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share awards reserve

ZICO Holdings Performance Share Plan

In conjunction with the Company's listing on the Catalist of SGX-ST, the Group adopted the ZICO Holdings Performance Share Plan ("PSP") which was approved at the Company's extraordinary general meeting held on 19 September 2014. The PSP is administered by the Remuneration Committee. The PSP provides for the grant of incentive share awards to employees and directors.

The selection of the participants and number of shares which are subject of each award to be granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, inter alia, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of the Group.

Under the PSP, the total number of shares which may be delivered pursuant to the vesting of awards on any date, when added to the aggregate number of shares issued and/or issuable in respect of (a) all awards granted under the PSP; and (b) all other shares issued and/or issuable under any other share-based incentive schemes or share plans of the Company, shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time.

25. Share-based reserve (continued)

Share awards reserve (continued)

ZICO Holdings Performance Share Plan (continued)

The aggregate number of shares available to the controlling shareholders or associates of the controlling shareholder (including adjustments made) shall not exceed 25% of the shares available under the PSP. The number of shares that are available to each controlling shareholder or associates of the controlling shareholder under the PSP shall not exceed 10% of the shares available under the PSP.

Notwithstanding that a participant may have met his performance targets, no awards shall be vested:

a) upon the bankruptcy of the participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such award;

b) in the event of any misconduct on the part of the participant as determined by the Committee in its discretion;

c) subject to the rules of the PSP, upon the participant ceasing to be in the employment of the Group for any reason whatsoever; or

d) in the event that the Committee shall, at its discretion, deem it appropriate that such award to be given to a participant shall so lapse on the grounds that any of the objectives of the PSP have not been met.

On 17 March 2023 (2022: 4 March 2022), awards for 423,766 (2022: 425,314) shares were granted pursuant to the ZICO Holdings Performance Share Plan.

The exercise price of the awards is $0 (2022: $0). The vesting of the awards is conditional on the employee or director completing 0 (2022: 0) years of service to the Group.

Movement in the number of unissued ordinary shares of the Company under share award for the Group's employees are as follows:

	No. of ordinary shares under award				
	Beginning of financial year	**Granted during financial year**	**Forfeited during financial year**	**Exercised during financial year**	**End of financial year**
2023					
17 March 2023	**–**	**423,766**	**–**	**(423,766)**	**–**
2022					
4 March 2022	–	425,314	–	(425,314)	–

Share awards granted on 17 March 2023 (2022: 4 March 2022) have been fully exercised during the financial year.

25. Share-based reserve (continued)

Share awards reserve (continued)

ZICO Holdings Performance Share Plan (continued)

The movement in the share awards reserve during the year was as follows:

	Group and Company	
	2023	**2022**
	RM'000	**RM'000**
Beginning of financial year	**1,550**	1,550
Performance share plan		
– Granted during the financial year (Note 8)	**92**	97
– Exercised during the financial year (Note 24)	**(92)**	(97)
End of financial year	**1,550**	1,550

26. Currency translation reserve

The foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of the Company and certain foreign operations whose functional currencies are different from that of the Group's presentation currency and is non-distributable.

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Beginning of financial year	**1,434**	982	**16,301**	12,297
Net currency translation differences of financial statements of foreign subsidiaries	**2,498**	752	**–**	–
Non-controlling interests	**(77)**	(300)	**–**	–
Currency translation differences	**–**	–	**9,144**	4,004
	2,421	452	**9,144**	4,004
End of financial year	**3,855**	1,434	**25,445**	16,301

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27. Other reserves

a) Fair value reserve

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Beginning of financial year	**(1,538)**	(2,067)	**–**	–
Financial assets, at FVOCI				
– Fair value losses	**(484)**	(456)	**–**	–
– Transfer upon disposal	**(119)**	985	**–**	–
End of financial year	**(2,141)**	(1,538)	**–**	–

b) Capital reserve

The reserve represents the effects of changes in ownership interests in subsidiaries when there is no change in control (Note 16).

28. Interest-bearing liabilities

		Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
TL facilities	(a)	**3,358**	6,737	**3,358**	6,737
Hire Purchase		**74**	–	**–**	–
RCF loan	(b)	**1,393**	–	**1,393**	–
		4,825	6,737	**4,751**	6,737
Current liabilities					
TL facilities	(a)	**3,801**	3,495	**3,801**	3,495
RCF loan	(c)	**19,031**	21,920	**16,738**	19,713
Bank overdrafts	(d)	**6,353**	8,318	**–**	–
Hire purchase		**56**	–	**–**	–
		29,241	33,733	**20,539**	23,208
Total		**34,066**	40,470	**25,290**	29,945

As at 31 December 2023, the Group and the Company have banking facilities amounting to RM39,566,000 (2022: RM40,652,000) and RM28,770,000 (2022: RM33,825,000), respectively, of which approximately RM33,936,000 (2022: RM40,470,000) and RM25,288,000 (2022: RM29,945,000), respectively, have been utilised as at financial position date.

28. Interest-bearing liabilities (continued)

Reconciliation of liabilities arising from financing activities:

	Revolving credit facilities RM'000	Term Loan ("TL") facility RM'000	Hire Purchase RM'000	Total RM'000
2023				
Balance at 1 January 2023	21,920	10,232	–	32,152
Changes from financing cash flows:				
– Repayments	(4,528)	(3,697)	(40)	(8,265)
– Interest paid	(1,399)	(235)	(6)	(1,640)
– Proceeds	1,741	–	170	1,911
Non-cash changes:				
– Interest expense	1,399	235	6	1,640
Effect of changes in foreign exchange rates	1,291	624	–	1,915
Balance at 31 December 2023	**20,424**	**7,159**	**130**	**27,713**

	Revolving credit facilities RM'000	Term Loan ("TL") facility RM'000	Total RM'000
2022			
Balance at 1 January 2022	24,660	12,887	37,547
Changes from financing cash flows:			
– Repayments	(4,266)	(7,920)	(12,186)
– Interest paid	(895)	(286)	(1,181)
Non-cash changes:			
– Interest expense	895	286	1,181
Effect of changes in foreign exchange rates	1,526	5,265	6,791
Balance at 31 December 2022	21,920	10,232	32,152

a) *TL facilities*

The TL facilities bears interest at fixed rate of 2.50% (2022: 2.50%) per annum and repayable within 5 years. The TL facilities were secured by corporate guarantee of certain subsidiary companies and mature between year 2025 to 2026.

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28. Interest-bearing liabilities (continued)

b) *RCF loan – Non-current*

A new RCF loan was disbursed during the financial year and is repayable over 5-years instalments. The RCF bears interest at floating rates, thus exposing the Group to cash flow interest rate risk. Effective interest rate is at 5.90% (2022: Nil) per annum. The non-current portion of the RCF loan is classified within long-term liabilities on the balance sheet.

As at 31 December 2023, the RCF loan was secured by the corporate guarantee of certain subsidiary companies.

c) *RCF loan – Current*

The RCF loan is repayable on demand and bears interest at floating rates, thus exposing the Group to cash flow interest rate risk. Effective interest rate is at 5.35% – 7.37% (2022: 1.82% – 2.25%) per annum.

As at 31 December 2023 and 31 December 2022, the RCF loan was secured by the corporate guarantee of certain subsidiary companies.

d) *Bank overdrafts*

The bank overdrafts bear interest rate of 7.14% – 7.71% (2022: 7.22%) per annum and secured by the corporate guarantee of subsidiary company.

29. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade payables – third parties	**2,007**	1,989	**–**	–
Non-trade payables				
– third parties	**3,059**	15,206	**3,486**	440
	3,059	15,206	**3,486**	440
Accrued expenses	**5,207**	4,374	**730**	342
	10,273	21,569	**4,216**	782

Trade payables are unsecured, non-interest bearing and are normally settled within 60 days (2022: 60 days) payment terms.

Included in the current portion of non-trade payables of the Group is monies held in trust for stakeholders of RM2,684,000 (2022: RM3,975,000). The balance payable for monies held in trust for stakeholders are unsecured, interest-free and payable upon demand.

30. Provisions

		Group	
		2023	**2022**
		RM'000	**RM'000**
Current			
Provision for leave benefits	(a)	**22**	21
Non-current			
Provision for reinstatement costs	(b)	**100**	160
Provision for retirement benefits	(c)	**–**	193
		100	353
		122	374

a) *Provision for leave benefits*

	Group	
	2023	**2022**
	RM'000	**RM'000**
Current		
Beginning of financial year	**21**	20
Currency translation differences	**1**	1
End of financial year	**22**	21

Provision for leave benefits refers to estimated costs made by management required to compensate its employees for leave benefits.

b) *Provision for reinstatement costs*

	Group	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Beginning of financial year	**160**	62
Provision (utilised)/made	**(66)**	94
Currency translation differences	**6**	4
End of financial year	**100**	160

Provision for reinstatement costs refers to estimated costs made by the management required to reinstate its office premise to its original state according to the terms and conditions of the respective tenancy agreements.

30. Provisions (continued)

c) *Provision for retirement benefits*

A subsidiary of the Group operates a defined benefit plan for its eligible employees of which the assets are held in an administered trust. Under this plan, eligible employees are entitled to retirement benefits upon reaching the retirement age of fifty-six (56).

Changes in the present value of the defined benefit obligation are as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Non-current		
Beginning of financial year	**193**	279
Provision made	**–**	–
Reversal made	**(203)**	(81)
Currency translation differences	**10**	(5)
End of financial year	**–**	193

The principal actuarial assumptions used are as follows:

	Group	
	2023	**2022**
Discount rate	**7.50%**	7.50%
Salary growth rate	**10.00%**	10.00%
Retirement age	**56 years**	56 years
Participants (employees)[1]	**–**	–

(1) There were no employees as of 31 December 2023 and 31 December 2022.

31. Dividends

The directors of the Company did not recommend any final dividend in respect of the financial years ended 31 December 2022 and 31 December 2023.

32. Significant related party transactions

a) In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties at terms agreed between the parties:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Transactions with associated companies		
Corporate guarantee given for banking facilities utilised by an associated company	**(690)**	(737)
Dividend received	**–**	75
Interest income	**530**	790
Advances to associated companies	**242**	1,556
Loss allowance on non-trade receivables	**1,587**	653
Transactions with joint venture		
Dividend income	**–**	3,945

b) Directors of the Company and other key management personnel compensation

Directors of the Company and other key management personnel compensation is as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Short-term employee benefits	**4,538**	5,016
Contribution to defined contribution plan	**177**	174
	4,715	5,190

33. Segment information

The Executive Committee ("Exco") is the Group's chief operating decision maker. The Exco comprises the 2 executive directors and the Chief Financial Officer.

Management has determined the operating segments based on the reports reviewed by the Exco. For management purposes, the Group is organised into business units based on its services, and has two reportable operating segments as follows:

i) Advisory and transactional services; and

ii) Management, support services and licensing services.

Expenses relating to the investment holding entities are not allocated to segments as this type of activity is not used by management to evaluate segment performance.

Management monitors the operating results of the segment separately for the purposes of making strategic decisions, allocation of resources and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

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33. Segment information (continued)

The accounting policies of the operating segments are the same as those described in the summary of material accounting policy information. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses.

There is no change from prior years in the measurement methods used to determine reported segment profit or loss.

Sales between segments are carried out at market terms. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the statement of comprehensive income.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment assets comprise primarily of plant and equipment, intangible assets, trade and other receivables, cash and cash equivalents. Segment liabilities comprise operating liabilities.

Segment capital expenditure is the total cost incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year.

Business segment

Bank over	**Advisory and transactional services RM'000**	**Management, support services and licensing services RM'000**	**Elimination RM'000**	**Total RM'000**
2023				
Revenue				
External revenue	**58,612**	**–**	**–**	**58,612**
Inter-segment revenue	**4,352**	**6,031**	**(10,383)**	**–**
	62,964	**6,031**	**(10,383)**	**58,612**
Results				
Segment profit/(loss)	**539**	**(7,664)**	**–**	**(7,125)**
Interest income	**405**	**1,819**	**–**	**2,224**
Finance costs	**(699)**	**(545)**	**–**	**(1,244)**
	245	**(6,390)**	**–**	**(6,145)**
Unallocated expenses				**(15,259)**
Share of results of associated companies, net of tax				**287**
Loss before income tax				**(21,117)**
Income tax expense				**(3,466)**
Loss for the financial year				**(24,583)**

33. Segment information (continued)

Business segment (continued)

	Advisory and transactional services RM'000	Management, support services and licensing services RM'000	Total RM'000
2023			
Non-cash items			
Reversal of allowance on trade and other receivables and contract assets	(669)	–	(669)
Bad debts written off	1,181	218	1,399
Amortisation of intangible assets	50	777	827
Depreciation of plant and equipment	440	419	859
Depreciation of right-of-use assets	1,972	1,412	3,384
Disbursement written off	685	–	685
Impairment of goodwill	500	–	500
Share-based payment expenses	–	92	92
Unrealised foreign exchange gain, net	(32)	(1,072)	(1,104)
Unallocated non-cash items			
Amortisation of intangible assets	–	–	193
Depreciation of plant and equipment	–	–	7
Bad debts written off	–	–	7,368
Reversal of allowance on trade and other receivables and contract assets	–	–	1,587
Unrealised foreign exchange gain, net	–	–	(1,256)
Capital expenditure			
Plant and equipment	128	572	700
Intangible assets	5	–	5
As at 31 December 2023			
Assets and liabilities			
Segment assets	31,379	71,731	103,110
– Current income tax recoverable	–	278	278
– Deferred income tax assets	1,986	6,871	8,857
	33,365	78,880	112,245
Unallocated assets			45,758
			158,003
Segment liabilities	24,105	9,649	33,754
– Current income tax payable	503	3,101	3,604
– Deferred income tax liabilities	77	654	731
	24,685	13,404	38,089
Unallocated liabilities			24,310
			62,399

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Segment information (continued)

Business segment (continued)

	Advisory and transactional services RM'000	Management, support services and licensing services RM'000	Elimination RM'000	Total RM'000
2022				
Revenue				
External revenue	62,718	2,227	–	64,945
Inter-segment revenue	5,550	4,435	(9,985)	–
	68,268	6,662	(9,985)	64,945
Results				
Segment profit/(loss)	5,769	(3,746)	–	2,023
Interest income	319	1,941	–	2,260
Finance costs	(895)	(545)	–	(1,440)
	5,193	(2,350)	–	2,843
Unallocated expenses				(6,068)
Share of results of associated companies, net of tax				36
Share of results of joint venture, net of tax				2,243
Loss before income tax				(946)
Income tax expense				1,499
Profit for the financial year				553

33. Segment information (continued)

Business segment (continued)

	Advisory and transactional services RM'000	Management, support services and licensing services RM'000	Total RM'000
2022			
Non-cash items			
Reversal of loss allowance on trade and other receivables and contract assets	(746)	(326)	(1,072)
Amortisation of intangible assets	590	911	1,501
Bad trade and other receivables written off	186	(1)	185
Depreciation of plant and equipment	408	490	898
Depreciation of right-of-use assets	1,844	1,606	3,450
Plant and equipment written off	6	117	123
Share-based payment expenses	–	92	92
Unrealised foreign exchange loss, net	94	815	909
Unallocated non-cash items			
Amortisation of intangible assets	–	–	517
Depreciation of plant and equipment	–	–	6
Depreciation of right-of-use assets	–	–	95
Unrealised foreign exchange loss, net	–	–	2,445
Capital expenditure			
Plant and equipment	1,247	229	1,476
Intangible assets	61	–	61
Right-of-use assets	5,370	3,010	8,380
As at 31 December 2022			
Assets and liabilities			
Segment assets	52,557	89,633	142,190
– Current income tax recoverable	–	251	251
– Deferred income tax assets	1,461	9,766	11,227
	54,018	99,650	153,668
Unallocated assets			40,593
			194,261
Segment liabilities	27,510	24,537	52,047
– Current income tax payable	478	2,898	3,376
– Deferred income tax liabilities	72	694	766
	28,060	28,129	56,189
Unallocated liabilities			24,071
			80,260

33. Segment information (continued)

Geographical information

Revenue is based on the country in which the customer is located. Non-current assets comprise primarily plant and equipment, right-of-use assets, intangible assets, associated companies and joint venture. Non-current assets are shown by the geographical area in which the assets are located.

	Singapore RM'000	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	China RM'000	Hong Kong RM'000	United States of America RM'000	Others RM'000	Total RM'000
2023									
External revenue	**32,795**	**11,239**	**1,824**	**3,308**	**692**	**1,639**	**543**	**6,572**	**58,612**
Non-current assets	**31,590**	**10,919**	**206**	**130**	**–**	**–**	**–**	**51**	**42,896**
2022									
External revenue	34,712	6,947	2,751	6,214	908	2,528	891	9,994	64,945
Non-current assets	33,897	8,202	36	241	–	–	–	56	42,432

Major customer

The revenue of the Group is mainly derived from customers which are mainly corporations, both domestic and multinationals. Due to the diverse base of customers to whom the Group renders services in each of the reporting period, the Group is not reliant on any customer for its sales and no one single customer accounted for 10% or more of the Group's total revenue.

34. Financial risk management

The Group's activities expose it to credit risk, market risk (including foreign currency risk, price risk and interest rate risk), liquidity risk and capital risk arising in the ordinary course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. Management then establishes the detailed policies such as risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, in interest rates and foreign exchange rates.

34.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate, to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Chief Financial Officer based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management teams and at the Group level by the Chief Financial Officer.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics, except for the amounts due from ZICOlaw network firms and associated companies which comprised 59% and 7% (2022: 53% and 13%) respectively of the total trade and other receivables and contracts assets as at 31 December 2023.

As the Group and the Company do not hold collateral the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the financial position and the amount of RM690,000 (2022: RM737,000) relating to corporate guarantees given by a subsidiary of the Company to a bank for an associated company's bank borrowings.

34. Financial risk management (continued)

34.1 Credit risk (continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 365 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

34. Financial risk management (continued)

34.1 Credit risk (continued)

Significant increase in credit risk (continued)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the financial asset has a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the long term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet the following criteria are generally not recoverable.

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

34. Financial risk management (continued)

34.1 Credit risk (continued)

The movements in credit loss allowance are as follows:

	Trade receivables RM'000	Contract assets RM'000	Non-trade receivables RM'000	Total RM'000
Group				
Balance at 1 January 2023	**4,531**	**1,599**	**2,011**	**8,141**
Loss allowance recognised/reversed in profit or loss during the financial year on:				
Lifetime ECL				
– Simplified approach	691	–	–	691
– Significant increase in credit risk	921	–	1,620	2,541
– Reversal of unutilised amount	(2,314)	–	–	(2,314)
	(702)	–	1,620	918
Currency translation differences	1,159	97	(644)	612
Balance at 31 December 2023	**4,988**	**1,696**	**2,987**	**9,671**
Balance at 1 January 2022	5,666	1,204	1,948	8,818
Loss allowance recognised/reversed in profit or loss during the financial year on:				
Lifetime ECL				
– Simplified approach	–	395	–	395
– Significant increase in credit risk	261	–	–	261
– Reversal of unutilised amount	(1,543)	–	–	(1,543)
	(1,282)	395	–	(887)
Currency translation differences	147	–	63	210
Balance at 31 December 2022	4,531	1,599	2,011	8,141

34. Financial risk management (continued)

34.1 Credit risk (continued)

The movements in credit loss allowance are as follows: (continued)

	Trade receivables RM'000	Non-trade receivables RM'000	Total RM'000
Company			
Balance at 1 January 2022	22	852	874
Loss allowance recognised in profit or loss during the financial year on:			
Lifetime ECL			
– Reversal of unutilised amount	–	–	–
Currency translation differences	–	54	54
Balance at 31 December 2022	22	906	928
Loss allowance recognised in profit or loss during the financial year on:			
Lifetime ECL			
– Significant increase in credit risk	–	2,741	2,741
Currency translation differences	–	(27)	(27)
Balance at 31 December 2023	**22**	**3,620**	**3,642**

Trade receivables and contract assets

The Group determined the ECL of trade receivables by segregating amounts due from ZICOlaw network firms which has engaged in a repayment plan with the Group and using a provision matrix for the remaining trade receivables. In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, adjusts the historical loss rates based on assumptions and forecasts of future economic conditions affecting the ability of the customers to settle the receivables. For trade receivables from ZICOlaw network firms, the Group applied the simplified approach and determined the lifetime ECL, taking into consideration their recent business developments, the historical payment trend, the subsequent collection, the revised repayment plan following the letter of undertaking, the creditworthiness of ZICOlaw network firms and their ability to repay and forecasts of future economic conditions.

Contract assets relate to unbilled work in progress for longer term advisory and transactional projects which have substantially different risk characteristics as the trade receivables. The Group determined the loss given default and probability of default, taking into consideration the historical payment trend and whether a credit impairment event has occurred.

34. Financial risk management (continued)

34.1 Credit risk (continued)

Trade receivables and contract assets (continued)

The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 365 days when they fall due. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group.

The trade receivables from third parties disclosed in Note 21 comprised amounts due from ZICOlaw network firms, amounting to RM34,654,000 (2022: RM37,325,000). The Group has recognised a loss allowance of RM696,000 (2022: RM740,000) relating to trade amounts due from ZICOlaw network firms.

The Group's credit risk exposure in relation to trade receivables (excluding ZICOlaw network firms) under IFRS 9, grouped according to their credit characteristics as at 31 December 2023 and 31 December 2022 are set out in the provision matrix as follows:

	Past due					
	Within 90 days RM'000	**91 to 180 days RM'000**	**181 to 270 days RM'000**	**270 to 365 days RM'000**	**More than 365 days RM'000**	**Total RM'000**
Group						
As at 31 December 2023						
Professional services rendered						
Expected loss rate	**0.30%**	**1.07%**	**6.85%**	**54.75%**	**84.30%**	
Trade receivables	**7,476**	**1,698**	**1,304**	**3,364**	**3,810**	**17,652**
Loss allowance	**(25)**	**27**	**91**	**1,471**	**1,807**	**3,371**
Significant increase in credit risk	**–**	**–**	**–**	**–**	**921**	**921**
	(25)	**27**	**91**	**1,471**	**2,728**	**4,292**
As at 31 December 2022						
Professional services rendered						
Expected loss rate	0.61%	3.44%	9.17%	25.77%	64.61%	
Trade receivables	13,596	2,493	1,227	1,231	4,540	23,087
Loss allowance	82	86	113	317	2,932	3,530
Significant increase in credit risk	–	–	61	–	200	261
	82	86	174	317	3,132	3,791

34. Financial risk management (continued)

34.1 Credit risk (continued)

Other financial assets at amortised cost

The table below details the credit quality of the Group's financial assets:

Group 2023	**12-month or lifetime ECL**	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net carrying amount RM'000**
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	**16,459**	**–**	**16,459**
Other current assets	N.A. Exposure Limited	**4,081**	**–**	**4,081**
Trade receivables from ZICOlaw network firms	Lifetime ECL	**34,654**	**(696)**	**33,958**
Non-trade receivables from ZICOlaw network firms	Lifetime ECL	**15,868**	**(256)**	**15,612**
Non-trade receivables from associated companies	Lifetime ECL	**8,879**	**(2,682)**	**6,197**
Contract assets	Lifetime ECL	**10,164**	**(1,696)**	**8,468**
Other non-trade receivables	12-month ECL	**4,384**	**(49)**	**4,335**
Deposits	12-month ECL	**1,447**	**–**	**1,447**
2022				
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	16,888	–	16,888
Other current assets	N.A. Exposure Limited	19,572	–	19,572
Trade receivables from ZICOlaw network firms	Lifetime ECL	38,065	(740)	37,325
Non-trade receivables from ZICOlaw network firms	Lifetime ECL	15,427	(212)	15,215
Non-trade receivables from associated companies	Lifetime ECL	14,516	(1,799)	12,717
Contract assets	Lifetime ECL	9,138	(1,599)	7,539
Other non-trade receivables	12-month ECL	6,522	–	6,522
Deposits	12-month ECL	1,444	–	1,444

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34. Financial risk management (continued)

34.1 Credit risk (continued)

Other financial assets at amortised cost (continued)

The table below details the credit quality of the Company's financial assets:

Company 2023	**12-month or lifetime ECL**	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net carrying amount RM'000**
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	**2,998**	**–**	**2,998**
Other current assets	N.A. Exposure Limited	**703**	**–**	**703**
Non-trade receivables from ZICOlaw network firms	Lifetime ECL	**114**	**–**	**114**
Non-trade receivables from associated companies	Lifetime ECL	**1,157**	**(365)**	**792**
Other non-trade receivables	12-month ECL Lifetime ECL	**68,930** **26,569**	**–** **(3,255)**	**68,930** **23,314**
Deposits	12-month ECL	**35**	**–**	**35**
2022				
Cash and cash equivalents with financial institutions	N.A. Exposure Limited	2,211	–	2,211
Other current assets	N.A. Exposure Limited	15,597	–	15,597
Non-trade receivables from ZICOlaw network firms	Lifetime ECL	92	–	92
Non-trade receivables from associated companies	Lifetime ECL	8,281	(906)	7,375
Other non-trade receivables	12-month ECL Lifetime ECL	67,305 12,313	– –	67,305 12,313
Deposits	12-month ECL	34	–	34

34. Financial risk management (continued)

34.2 Market risk

Foreign currency risk

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The Group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk mainly from Ringgit Malaysia ("RM"), United States Dollar ("USD"), Singapore Dollar ("SGD") and Thai Baht ("THB") transactions.

As at the financial position date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of entities within the Group are as follows:

	Cash and cash equivalents RM'000	Trade and other receivables RM'000	Trade and other payables RM'000	Other current assets RM'000	Intragroup receivables RM'000	Intragroup payables RM'000	Net financial (liabilities)/ assets denominated in foreign currencies RM'000
Group							
At 31 December 2023							
Denominated in/respective functional currency							
RM/SGD	27	(11)	–	–	2,301	(8,513)	(6,196)
RM/THB	–	(74)	–	–	–	(2,594)	(2,668)
RM/USD	1	1,893	–	–	16,161	(35,842)	(17,787)
RM/IDR	–	(8)	–	–	–	(4,099)	(4,107)
RM/LAK	–	(22)	–	–	–	(1,193)	(1,215)
USD/RM	126	1,956	–	289	35,438	(16,186)	21,623
USD/SGD	2,077	1,259	–	19	1,868	(10,412)	(5,189)
USD/IDR	2	–	–	–	–	(441)	(439)
USD/LAK	336	–	–	–	–	(351)	(15)
USD/THB	–	–	–	–	200	(4,214)	(4,014)
SGD/USD	76	2	–	–	10,248	(12,617)	(2,291)
SGD/RM	–	16	–	–	10,656	(92,345)	(81,673)
SGD/THB	–	–	–	–	29	(2,767)	(2,738)
SGD/IDR	–	–	–	–	96	–	96
SGD/LAK	–	–	–	–	–	(941)	(941)
KYAT/USD	98	–	–	–	–	–	98
THB/RM	–	866	–	–	1,204	(1,073)	997
THB/USD	–	–	–	–	2,460	(206)	2,254
THB/SGD	–	–	–	–	662	–	662
LAK/SGD	–	–	–	–	196	–	196
LAK/RM	–	–	–	–	1,407	–	1,407
IDR/RM	–	–	–	–	584	–	584
IDR/USD	–	–	–	–	458	–	458
Other	–	6,393	–	–	4,157	–	10,550

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34. Financial risk management (continued)

34.2 Market risk (continued)

Foreign currency risk (continued)

	Cash and cash equivalents RM'000	Trade and other receivables RM'000	Trade and other payables RM'000	Other current assets RM'000	Intragroup receivables RM'000	Intragroup payables RM'000	Net financial (liabilities)/ assets denominated in foreign currencies RM'000
Group							
At 31 December 2022							
Denominated in/respective functional currency							
RM/SGD	19	–	–	–	2,170	(9,473)	(7,284)
RM/THB	–	–	–	–	–	(2,385)	(2,385)
RM/USD	1	1,564	–	–	15,054	(33,656)	(17,037)
RM/IDR	–	–	(7)	–	–	(3,908)	(3,915)
RM/LAK	–	–	(26)	–	–	(1,242)	(1,268)
USD/RM	119	4,052	–	877	33,350	(15,618)	22,780
USD/SGD	2,476	2,977	–	18	1,659	(10,004)	(2,874)
USD/IDR	3	–	–	–	–	(420)	(417)
USD/LAK	237	–	–	–	–	(349)	(112)
USD/THB	–	–	–	–	191	(4,025)	(3,834)
SGD/USD	70	16	–	–	9,847	(11,595)	(1,662)
SGD/RM	–	–	(51)	–	15,002	(85,756)	(70,805)
SGD/THB	–	–	–	–	28	(2,535)	(2,507)
SGD/IDR	–	–	–	–	92	–	92
SGD/LAK	–	–	–	–	–	(878)	(878)
KYAT/USD	200	–	–	–	–	–	200
THB/RM	–	866	–	–	1,152	(1,075)	943
THB/USD	–	–	–	–	2,365	(200)	2,165
THB/SGD	–	–	–	–	624	–	624
LAK/SGD	–	–	–	–	184	–	184
LAK/RM	–	–	–	–	1,407	–	1,407
IDR/RM	–	–	–	–	584	–	584
IDR/USD	–	–	–	–	440	–	440
Other	–	9	–	–	2,344	–	2,353

The Company's currency exposure based on the information provided to key management is as follows:

	2023 RM'000	2022 RM'000
Denominated in USD		
Cash and cash equivalents, representing net financial assets denominated in foreign currency	**10**	10

34. Financial risk management (continued)

34.2 Market risk (continued)

Foreign currency risk (continued)

If the foreign currencies change against the respective functional currencies of the Group's entities, with all other variables being held constant, the effects arising from the net financial (liability)/assets position will be as follows:

	Group (decrease)/increase	
	2023	**2022**
	Loss before tax RM'000	**Profit before tax RM'000**
Group		
RM against USD		
– Strengthened by 4% (2022: 4%)	**691**	(1,022)
– Weakened by 4% (2022: 4%)	**(691)**	1,022
USD against SGD		
– Strengthened by 2% (2022: 3%)	**104**	(29)
– Weakened by 2% (2022: 3%)	**(104)**	29
USD against RM		
– Strengthened by 4% (2022: 4%)	**(840)**	1,367
– Weakened by 4% (2022: 4%)	**840**	(1,367)
USD against THB		
– Strengthened by 1% (2022: 12%)	**40**	(153)
– Weakened by 1% (2022: 12%)	**(40)**	153
SGD against RM		
– Strengthened by 6% (2022: 2%)	**4,900**	(4,248)
– Weakened by 6% (2022: 2%)	**(4,900)**	4,248
SGD against LAK		
– Strengthened by 22% (2022: 20%)	**207**	(492)
– Weakened by 22% (2022: 20%)	**(207)**	492
SGD against THB		
– Strengthened by 2% (2022: 10%)	**55**	(125)
– Weakened by 2% (2022: 10%)	**(55)**	125
THB against USD		
– Strengthened by 1% (2022: 12%)	**(23)**	87
– Weakened by 1% (2022: 12%)	**23**	(87)

Any reasonably possible changes in the RM and SGD exchange rates against the other respective functional currencies of the Group, with all other variables held constant, will not have a significant impact on the Group's profit or loss for the current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. Financial risk management (continued)

34.2 Market risk (continued)

Foreign currency risk (continued)

The Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

Company

A 3% (2022: 3%) fluctuation in the USD exchange rate against SGD, with all other variables held constant, will not have a significant impact on the Company's loss for the current and previous financial year.

Equity price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVOCI. These securities are listed in Singapore. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Sensitivity analysis of the Group's equity price risk exposures is not presented as a reasonably possible change of 5% (2022: 5%) in the price of equity securities listed in Singapore, with all other variables including tax rate being held constant will have no significant impact on the Group's other comprehensive income.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to market risks for changes in interest rates relates primarily to interest-bearing borrowings as set out in Note 28.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from time deposit and interest-bearing borrowings which are floating interest rates. It is the Group's policy to obtain quotes from reputable banks to ensure that the most favourable rates are made available to the Group.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates had been higher/lower by 0.50% (2022: 0.08%) with all other variables including tax rate and foreign currency rate being held constant, the Group's loss (2022: profit) before tax would have been higher/lower by RM91,000 (2022: lower/higher RM27,000) and the Company's loss before tax would have been higher/lower by RM91,000 (2022: lower/higher RM7,000) as a result of higher/lower interest expense on these borrowings.

34. Financial risk management (continued)

34.3 Liquidity risk

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group minimises liquidity risk by ensuring the availability of funding through an adequate amount of committed credit facilities from financial institutions and maintain sufficient levels of cash to meet its working capital requirements.

Contractual maturity analysis

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

The disclosed amounts for the financial guarantee contracts represent the maximum amount of issued financial guarantees in the earliest time period for which the guarantees could be called upon in the contractual maturity analysis.

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Total RM'000
Group				
At 31 December 2023				
Financial liabilities				
Trade and other payables	**9,354**	**–**	**–**	**9,354**
TL loan	**3,937**	**3,247**	**152**	**7,336**
RCF loan	**20,179**	**369**	**1,108**	**21,656**
Bank overdrafts	**6,353**	**–**	**–**	**6,353**
Hire purchase	**56**	**59**	**15**	**130**
Lease liabilities	**3,625**	**3,146**	**3,714**	**10,485**
Financial guarantee contracts (Note 35)	**690**	**–**	**–**	**690**
Total undiscounted financial liabilities	**44,194**	**6,821**	**4,989**	**56,004**
At 31 December 2022				
Financial liabilities				
Trade and other payables	21,569	–	–	21,569
TL loan	3,711	3,711	3,193	10,615
RCF loan	22,929	–	–	22,929
Bank overdrafts	8,318	–	–	8,318
Lease liabilities	1,976	9,151	–	11,127
Financial guarantee contracts (Note 35)	737	–	–	737
Total undiscounted financial liabilities	59,240	12,862	3,193	75,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. Financial risk management (continued)

34.3 Liquidity risk (continued)

Contractual maturity analysis (continued)

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Total RM'000
Company				
At 31 December 2023				
Financial liabilities				
Trade and other payables	**4,205**	**–**	**–**	**4,205**
TL loan	**3,937**	**3,247**	**152**	**7,336**
RCF loan	**17,714**	**369**	**1,108**	**19,191**
Total undiscounted financial liabilities	**25,856**	**3,616**	**1,260**	**30,732**
At 31 December 2022				
Financial liabilities				
Trade and other payables	782	–	–	782
TL loan	3,711	3,711	3,193	10,615
RCF loan	20,628	–	–	20,628
Total undiscounted financial liabilities	25,121	3,711	3,193	32,025

34.4 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

Management reviews the capital structure to ensure that the Group is able to service any debt obligations (including principal repayment and interest) based on its operating cash flows. Upon review, the Group will balance its overall capital structure through new share issues and the issue of new debt or the redemption of existing debt, if necessary. The Group's overall strategy remains unchanged since 31 December 2020.

The Group monitors capital based on gearing ratio of interest-bearing liabilities to shareholders' funds which is defined as equity attributable to owners of the parent.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest-bearing liabilities	**34,066**	40,470	**25,290**	29,945
Equity attributable to holders of the Company	**98,280**	112,086	**131,412**	129,314
Gearing ratio (times)	**0.35**	0.36	**0.19**	0.23

The Group is in compliance with all externally imposed capital requirement for the financial years ended 31 December 2023 and 31 December 2022.

34. Financial risk management (continued)

34.5 Fair value measurements

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
Assets				
Financial assets, at FVOCI	**438**	**–**	**–**	**438**
2022				
Assets				
Financial assets, at FVOCI	886	–	–	886

Fair value of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The carrying amounts of the non-current trade and other receivables approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. Financial risk management (continued)

34.6 Financial instruments by category

The following table sets out the carrying amounts of financial instruments as at the end of the reporting period:

	Group RM'000	Company RM'000
31 December 2023		
Financial assets		
Financial assets, at amortised cost		
– Trade and other receivables	**83,377**	**108,253**
– Cash and cash equivalents	**16,459**	**2,998**
– Other current assets	**4,081**	**703**
Financial assets, at FVOCI	**438**	**–**
	104,355	**111,954**
Financial liabilities		
Financial liabilities, at amortised cost		
– Trade and other payables	**9,354**	**4,205**
– Interest-bearing liabilities	**34,066**	**25,290**
– Lease liabilities	**9,742**	**–**
	53,162	**29,495**

	Group RM'000	Company RM'000
31 December 2022		
Financial assets		
Financial assets, at amortised cost		
– Trade and other receivables	92,519	98,759
– Cash and cash equivalents	16,888	2,211
– Other current assets	19,572	15,597
Financial assets, at FVOCI	886	–
	129,865	116,567
Financial liabilities		
Financial liabilities, at amortised cost		
– Trade and other payables	21,569	782
– Interest-bearing liabilities	40,470	29,945
– Lease liabilities	9,884	–
	71,923	30,727

35. Contingent liabilities

(i) Financial guarantee contract liability

	Group	
	2023	**2022**
	RM'000	**RM'000**
Corporate guarantees provided by a subsidiary of the Company in favour of a bank for:		
– Bank facilities utilised by an associated company, Goldfield Alliance Sdn. Bhd.	**690**	737

The guarantees are subject to the impairment requirements of IFRS 9. The directors do not expect credit loss exposure arising from these guarantees in view of the financial strength of the associated company and that the borrowings of the associated company are secured by a first party first legal charge over the investment property of the associated company.

(ii) Legal claim

One of the subsidiaries of the Group, ZICO Trust (S) Ltd. ("The Company") had on 4 April 2022 been served with a writ of summons, HC/S 319/2022, dated 31 March 2022, and statement of claim filed by CPS German 1 LLC in the High Court of the Republic of Singapore on 31 March 2022 ("Claim"). The Company intends to vigorously defend the Claim and has sought legal advice in respect of the above matter. Based on preliminary assessment from the Company's solicitors, the Company believes strongly that it will successfully defend the Claim. Accordingly, no provision has been made in these financial statements.

On 11 October 2023, the Court rescheduled the pre-trial conference to April 2024.

As at reporting date, the case remains on-going.

36. Commitments

One of the subsidiaries of the Group, ZICO Malaysia Sdn Bhd has given an undertaking to provide continuing financial support to its associated companies, ShakeUp Online Sdn. Bhd. and Goldfield Alliance Sdn. Bhd. to enable it to continue its operations as a going concern and to meet its liabilities as and when these are due for payments in the next 12 months from the date of approval of the financial statements by the directors for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. Subsequent events

i. On 21 March 2024, ZICO Corporate Services Inc. (the "Seller"), a direct subsidiary of the Company has entered into an Asset Purchase and Covenant Agreement with Fragomen Philippines Corporation (the "Purchaser"). This agreement involves the sale and transfer of certain assets ("Purchased Assets") from the Seller to the Purchaser.

   As per the agreement, the Purchaser will pay the Seller USD165,000 (exclusive of VAT) upon completion of all transactions outlined in the agreement. The completion of the agreement is pending fulfillment of certain conditions precedent as of the date of this report.

ii On 26 March 2024, ZICO RMC Pte. Ltd. ("ZICO RMC"), a subsidiary of the Company, had been served with an Originating Claim, HC/OC 179/2024, and a Statement of Claim, dated 15 March 2024 which were filed by Eco-Brite Pte. Ltd. via its appointed solicitor in the High Court of the Republic of Singapore on 18 March 2024 pertaining to a civil matter.

   ZICO RMC has been identified as the defendant in the Originating Claim. The Statement of Claim outlines Eco-Brite Pte. Ltd.'s request for payment of S$630,000 plus interest from the date of the Originating Claim until the resolution of the matter or the payment is made.

   Further to that, ZICO RMC denies the Claim and has sought legal advice in respect of the above matter. Based on preliminary assessment from the Company's solicitors, the Company believes strongly that it will successfully defend the Claim. Accordingly, no provision has been made in these financial statements.

38. Authorisation of financial statements

These consolidated financial statements of the Group and the financial position of the Company were authorised for issue in accordance with a resolution of the Board of Directors of ZICO Holdings Inc. on 4 April 2024.

SHAREHOLDER **INFORMATION**

AS AT 28 MARCH 2024

Issued and fully paid-up capital	:	RM112,282,268.57
Total number of issued shares	:	379,885,557
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote for each ordinary share
Number of treasury shares	:	NIL

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	1	0.59	3	0.00
100 – 1,000	12	7.06	4,100	0.00
1,001 – 10,000	24	14.12	175,866	0.05
10,001 – 1,000,000	106	62.35	17,335,988	4.56
1,000,001 and above	27	15.88	331,978,007	94.88
Total	170	100.00	379,885,557	100.00

TOP TWENTY SHAREHOLDERS AS AT 28 MARCH 2024

	Name of Shareholders	No. of Shares	% of Shares
1.	UOB KAY HIAN PTE LTD	162,042,054	42.65
2.	PHILLIP SECURITIES PTE LTD	45,764,000	12.05
3.	TAN SRI DR. NIK NORZRUL THANI BIN NIK HASSAN THANI	30,190,000	7.95
4.	CITIBANK NOMINEES SINGAPORE PTE LTD	19,333,333	5.09
5.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE LTD	15,682,700	4.13
6.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	9,978,000	2.63
7.	JAMES KHONG POH WAH	9,475,367	2.49
8.	RAFFLES NOMINEES (PTE) LIMITED	9,072,300	2.39
9.	CHUA HOCK BENG DENNIS (CAI FUMING DENNIS)	8,054,000	2.12
10.	JUNE SONG PTE LTD	7,487,879	1.97
11.	TOH BENG SUAN	7,210,000	1.90
12.	LIEW FOONG YUEN	6,710,000	1.77
13.	KGI SECURITIES (SINGAPORE) PTE. LTD	6,641,600	1.75
14.	PRIMEPARTNERS GROUP PTE LTD	5,000,000	1.31
15.	KEK CHIN WU	2,090,400	0.55
16.	HANIM HAMZAH	2,060,000	0.54
17.	PUAN KAM FOOK	1,771,100	0.47
18.	SEAN LAI CHOONG CHANG	1,735,961	0.46
19.	HONG LEONG FINANCE NOMINEES PTE LTD	1,729,300	0.45
20.	TAN GEE MOI	1,670,506	0.44
		353,698,500	**93.11**

SHAREHOLDER INFORMATION

AS AT 28 MARCH 2024

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2024

	Direct Interest		Indirect Interest	
Substantial Shareholders	**No. of Shares**	**% of Shareholdings**	**No. of Shares**	**% of Shareholdings**
Chew Seng Kok	79,699,688	20.98	5,293,737[1]	1.39
Dynac Sdn Bhd	34,000,000	8.95	0	0
Tan Sri Dr. Nik Norzrul Thani Bin N. Hassan Thani	40,168,000	10.57	0	0

(1) Deemed interested by virtue of shares held by Leandar Pte. Ltd. is a company incorporated in Singapore. Mr Chew Seng Kok holds 100% of the shareholding interests in Leandar Pte. Ltd.

PERCENTAGE OF SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 28 March 2024, approximately 54.25% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Catalist Rules has been complied with.

TREASURY SHARES AND SUBSIDIARY HOLDINGS

There are no subsidiary holdings or treasury shares. The number of subsidiary holdings held is “0”. 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 is also “0”.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of ZICO HOLDINGS INC. ("**Company**") will be held at 77 Robinson Road #06-03 Robinson 77, Singapore 068898 on Saturday, 27 April 2024 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2023 together with the Auditors' Report thereon.
(Resolution 1)

2. To re-elect Datuk Ng Hock Heng, a Director of the Company retiring pursuant to Article 97 of the Company's Articles of Association.
[Explanatory Note 1] **(Resolution 2)**

3. To re-elect Dr. Veerinderjeet Singh A/L Tejwant Singh, a Director of the Company retiring pursuant to Article 101 of the Company's Articles of Association.
[Explanatory Note 2] **(Resolution 3)**

4. To re-elect Mr Mohamed Nasser Bin Ismail, a Director of the Company retiring pursuant to Article 101 of the Company's Articles of Association.
[Explanatory Note 3] **(Resolution 4)**

5. To re-elect Ms Shweta Nandy, a Director of the Company retiring pursuant to Article 101 of the Company's Articles of Association.
[Explanatory Note 4] **(Resolution 5)**

6. To record the retirement of Mr Chew Liong Kim a Director retiring pursuant to Article 97 of the Company's Articles of Association, who will not seek for re-election and will retire at the conclusion of the AGM.
[Explanatory Note 5]

7. To record the retirement of Mr Yap Tien Wei, a Director retiring pursuant to Article 101 of the Company's Articles of Association, who will not seek for re-election and will retire at the conclusion of the AGM.
[Explanatory Note 5]

8. To record the retirement of Mr John Lim Yew Kong, a Director retiring pursuant to Rule Article 97 of the Company's Articles of Association, who will not seek for re-election and will retire at the conclusion of the AGM.
[Explanatory Note 5]

9. To approve the payment of Directors' fees totalling S$275,000 (2023: S$275,000) for the financial year ending 31 December 2024, to be paid quarterly in arrears.
[Explanatory Note 6] **(Resolution 6)**

10. To re-appoint PKF-CAP LLP as the Company's Auditors and to authorise the Directors to fix their remuneration.
(Resolution 7)

11. To transact any other ordinary business which may properly be transacted at an annual general meeting.

NOTICE OF
ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

12. AUTHORITY TO ALLOT AND ISSUE SHARES

That pursuant to Article 3 of the Company's Articles of Association and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**"), authority be given to the Directors to:

(a) issue shares ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit; and

(c) notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:

(i) the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) does not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and convertible securities to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (i) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time this resolution is passed, after adjusting for:

(aa) new Shares arising from the conversion or exercise of the Instruments or convertible securities;

(bb) new Shares arising from exercising share options or vesting of share awards (provided the options and awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules); and

(cc) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with (aa) or (bb) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

(iii) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(iv) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[Explanatory Note 7] **(Resolution 8)**

13. AUTHORITY TO ISSUE AND ALLOT SHARES UNDER:

(a) THE ZICO HOLDINGS PERFORMANCE SHARE PLAN

THAT the Directors be and are hereby authorized to offer and grant awards ("**Awards**") in accordance with the provisions of the ZICO Holdings Performance Share Plan ("**Plan**") and to allot and issue from time to time such number of fully paid-up Shares as may be required to be issued pursuant to the vesting of Awards granted under the Plan, provided always that the aggregate number of Shares to be issued pursuant to the Plan, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company, shall not exceed fifteen percent (15%) of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.
[Explanatory Note 8] **(Resolution 9A)**

(b) THE ZICO HOLDINGS EMPLOYEE SHARE OPTION SCHEME

THAT the Directors be and are hereby authorized to offer and grant options ("Options") under the ZICO Holdings Employee Share Option Scheme ("**Scheme**") and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the Options under the Scheme, provided always that the aggregate number of Shares to be issued pursuant to the Scheme, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company shall not exceed fifteen percent (15%) of the total issued Share (excluding treasury shares and subsidiary holdings) of the Company from time to time.
[Explanatory Note 8] **(Resolution 9B)**

By Order of the Board

ZICO Secretarial Limited
Secretary

Singapore, 12 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. **Resolution 2** – Datuk Ng Hock Heng ("**Datuk Ng**"), if re-elected, will remain as an Executive Director and Group CEO of the Company. Datuk Ng does not have any relationship, including immediate family relationships between himself and the Directors, the Company, and other substantial shareholders.

2. **Resolution 3** – Dr. Veerinderjeet Singh A/L Tejwant Singh ("**Dr. Veerinderjeet Singh**"), if re-elected, will remain as an Independent Director of the Company. The Board considers him to be independent pursuant to Rule 704(7) of the Catalist Rules. Dr. Veerinderjeet Singh does not have any relationship, including immediate family relationships with the other Directors, the Company, and the substantial shareholders, which may affect his independence.

3. **Resolution 4** – Mr Mohamed Nasser Bin Ismail ("**Mr Nasser**"), if re-elected, will remain as an Independent Director of the Company. The Board considers him to be independent pursuant to Rule 704(7) of the Catalist Rules. Mr Nasser does not have any relationship, including immediate family relationships with the other Directors, the Company, and the substantial shareholders, which may affect his independence.

4. **Resolution 5** – Ms Shweta Nandy ("**Ms Shweta**"), if re-elected, will remain as a Non-Independent Non-Executive Director of the Company. Ms Shweta does not have any relationship, including immediate family relationships with the other Directors, the Company, and the substantial shareholders.

   Further information on all the abovementioned Directors can be found under the sections titled "Board of Directors", "Corporate Governance Report" and "Key Information" of the Company's Annual Report 2023.

5. Item 6 is to note the retirement of Mr Chew Liong Kim as a Non-Independent Non-Executive Director of the Company at the conclusion of the AGM. Upon retirement, he will cease to be a member of the ARC, NC and RC of the Company.

   Item 7 is to note the retirement of Mr Yap Tien Wei as an Independent Director of the Company at the conclusion of the AGM. Upon retirement, he will cease to be the Chairman of the NC and a member of the ARC and RC of the Company.

   Item 8 is to note the retirement of Mr John Lim Yew Kong ("**Mr John Lim**") as a Director of the Company. Mr. John Lim has served as an Independent Director of the Company for more than nine years from the date of his first appointment. In the spirit of good corporate governance, Mr John Lim is not seeking re-election. Upon retirement, Mr John Lim will also retire as the Chairman of the ARC and the RC and a member of the NC at the conclusion of the AGM.

6. **Resolution 6** – This resolution is to facilitate payment of Directors' fees during the financial year in which the fees are incurred. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the present Directors will hold office for the whole of the financial year ending 31 December 2024 ("**FY2024**"). Should any Director hold office for only part of FY2024 and not the whole of FY2024, the Director's fee payable to him will be appropriately pro-rated.

7. **Resolution 8** – This resolution, if passed, will empower the Directors, effective until (i) the conclusion of the next annual general meeting of the Company, or (ii) the date by which the next annual general meeting of the Company is required by law to be held or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred percent (100%) of issued Share capital of the Company (excluding treasury shares and subsidiary holdings), of which up to fifty percent (50%) may be issued other than on a pro-rata basis to existing shareholders of the Company.

8. **Resolutions 9(a) & 9(b)** – Each of these resolutions, if passed, will empower the Directors to allot and issue Shares pursuant to the vesting of Awards and the exercise of Options under the Plan and Scheme, provided that the aggregate number of Shares to be issued pursuant to the Plan and Scheme, when added to the number of Shares issued and issuable under other share-based incentives schemes or share plans of the Company shall not exceed fifteen percent (15%) of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.

NOTES

1. The Company's AGM is being convened, and will be held, in a wholly physical format, at 77 Robinson Road, #06-03 Singapore 068896, on Saturday 27 April 2024 at 11:00 a.m.. **There will be no option for members to participate in the AGM virtually.**

   The Annual Report, Notice of AGM and the accompanying proxy form will be made available on the SGXNet at https://www.sgx.com/securities/company-announcements and at www.zicoholdings.com under the "Newsroom" tab from the date of this Notice of AGM, **12 April 2024**. A member will need an internet browser and PDF reader to view these documents. Printed copies of this Notice of AGM and the accompanying proxy form will be sent to members via post.

   Printed copy of the Annual Report will NOT be sent to members. A member who wishes to obtain a printed copy of the Annual Report should request the same via email to main@zicoholdings.com no later than 11:00 a.m. on 16 April 2024 and provide his/her/its full name as per CDP/CPF/SRS records, NRIC/Passport Number/Company Registration Number, mailing address and the manner in which shares are held (e.g. via CDP/CPF or SRS, or physical scripts(s)) in the email, failing which the request will not be processed.

NOTICE OF ANNUAL GENERAL MEETING

Voting by proxy

2. Members may participate in the AGM by:

   (a) attending the AGM in person;

   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or

   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

   Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.

3. A member who is unable to attend the AGM and wishes to appoint proxy(ies) to attend, speak and vote at the AGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon.

4. A proxy need not be a member of the Company.

5. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

6. For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("**CPFIS Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM (by 5.00 p.m. on 18 April 2024). CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the AGM.

7. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the AGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

8. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

9. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 1967:

   (a) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

10. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

11. The instrument appointing a proxy or proxies, duly executed, must be submitted to the Company in the following manner:

    (a) by post to the Registered Office of the Company's Singapore Branch at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or

    (b) electronically via email to main@zicoholdings.com (using a clear scanned signed form in PDF),

    and received by the Company by 11.00 a.m. on 25 April 2024, being no later than 48 hours before the time set for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions in Advance

12. Shareholders may submit questions related to the resolutions to be tabled for approval for the AGM in advance of the AGM within 7 calendar days from the date of this Notice of AGM, i.e. no later than 5.00 p.m. on 19 April 2024:

    (a) by email to: kevin.tan@zicoholdings.com; or

    (b) in hard copy by sending personally or by post to Company's Singapore Branch at 77 Robinson Road #06-03 Robinson 77, Singapore 068896.

    The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 23 April 2024 after trading hours.

13. For questions addressed during the AGM, the responses to such questions will be included in the minutes of the AGM which will be published on the Company's corporate website and on SGXNet within one month after the AGM.

GENERAL

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any lodged instrument appointing the Chairman of the AGM as proxy, if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

This document has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Vanessa Ng.

Tel: 6389 3065, Email: vanessa.ng@morganlewis.com

ZICO HOLDINGS INC.
(Incorporated in Labuan, Malaysia)
(Company Registration No. LL07968)

PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT:
This Proxy Form is not valid for use by investors who hold shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to specify voting instructions. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators by 11.00 a.m. on 18 April 2024.

I/We, ______________________________ (full name in capital letters),
NRIC No./Passport No./Company No. ______________________________
of ______________________________ (full address),
being a member/members of ZICO HOLDINGS INC. (the "**Company**") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held at 77 Robinson Road #06-03 Robinson 77 Singapore 068896 on Saturday, 27 April 2024 at 11.00 a.m. and at any adjournment thereof. Voting will be conducted by poll. I/We direct my/our proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

Resolution No.	Ordinary Business	For*	Against*	Abstain*
1	To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2023 together with the Auditors' Report thereon			
2	To re-elect Datuk Ng Hock Heng as a Director of the Company			
3	To re-elect Dr. Veerinderjeet Singh A/L Tejwant Singh as a Director of the Company			
4	To re-elect Mr Mohamed Nasser Bin Ismail as a Director of the Company			
5	To re-elect Ms Shweta Nandy as a Director of the Company			
6	To approve payment of Directors' Fees for the financial year ending 31 December 2024, to be paid quarterly in arrears			
7	To re-appoint of PKF-CAP LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
	Special Business			
8	To approve the authority to allot and issue shares.			
9A	To approve the authority to allot and issue shares pursuant to the ZICO Holdings Performance Share Plan			
9B	To approve the authority to allot and issue shares pursuant to the ZICO Holdings Employee Share Option Scheme			

**If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Total Number of Shares held in:	
CPD Register	
Register of Members	

Dated this __________ day of __________________ 2024

____
Signature(s) of member(s) or Common Seal

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint 1 or 2 proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints more than 1 proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

3. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstained as he/she thinks fit. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

4. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his/her attorney. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

5. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

6. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to submit a proxy form to vote on their behalf by the cut-off date. "Relevant intermediary" has the meaning as defined in section 181 of the Singapore Companies Act.

7. The instrument appointing a proxy, if submitted by post, must be deposited at the registered office of the Company's Singapore Branch at 77 Robinson Road #06-03 Robinson 77 Singapore 068896, or if submitted by email, be sent to main@zicoholdings.com using a clear scanned signed form in PDF not less than 48 hours before the time appointed for holding of the AGM.

GENERAL

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy. In the case of shares entered in the Depository Register, the Company may reject any lodged instrument appointing the Chairman of the AGM as proxy, if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

IMPORTANT NOTICE FROM THE COMPANY ON COVID-19

As the COVID-19 situation continues to evolve, the Company seeks its members' understanding that further measures and/or changes to the AGM arrangements may be made on short notice in the ensuring days leading up to the day of the AGM. The Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the AGM, including any precautionary measures required or recommended by government agencies, in order to curb the spread of COVID-19. The Company will post updates on our corporate website at www.zicoholdings.com and via SGXNET announcements.

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ZICO HOLDINGS INC.

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