

NEWS RELEASE

ZICO HOLDINGS INC. ACHIEVES 15.0% REVENUE INCREASE TO RM17.8 MILLION¹ IN 3Q2016 AND 24.7% IN 9M2016

- ***Initial revenue contributions from ZICO Capital Pte. Ltd. for Advisory and Transactional Services segment***
- ***3Q2016 profit after tax declines 51.3% to RM1.0 million² from higher operating costs to support business growth***
- ***Investment in resources to pursue growth and further enhance service offerings***

Singapore, 14 November 2016 – ZICO Holdings Inc. (“ZICO” and together with its subsidiaries and associated companies, the “Group”), an integrated provider of multidisciplinary professional services, announced today its unaudited results for the three months ended 30 September 2016 (“3Q2016”). The Group achieved a 15.0% growth in revenue to RM17.8 million during the quarter, up from RM15.5 million in the previous corresponding period (“3Q2015”). On a nine-month period ended 30 September 2016 (“9M2016”) basis, the Group achieved a 24.7% increase in revenue to RM49.0 million, up from RM39.3 million in the previous corresponding period (“9M2015”).

¹ Approximately S\$5.9 million based on an exchange rate of S\$1.00 to RM 3.0266

² Approximately S\$0.3 million based on an exchange rate of S\$1.00 to RM 3.0266

Mr Chew Seng Kok (“周成国”), Managing Director of ZICO, said, “We are pleased to have consistently delivered revenue growth for three consecutive quarters in this financial period, notwithstanding a challenging macro environment. We continue to harvest from our broadened complementary suite of services, having seen initial revenue contributions from ZICO Capital Pte. Ltd., which was only officially launched in September this year. We are confident that ZICO Capital provides significant opportunities for cross-selling and referrals within the Group as well as the ZICOlaw network.”

FINANCIAL REVIEW

ZICO’s topline growth was largely attributable to the 33.7% increase in the Advisory and Transactional Services (“ATS”) segment’s revenue to RM11.9 million and 25.0% rise in the Licensing Services (“LS”) segment’s revenue to RM1.5 million during the quarter. ATS’ topline was buoyed by a new revenue stream, advisory service on corporate finance under ZICO Capital Pte. Ltd.. Revenue increases from investor services under B.A.C.S. Private Limited in Singapore and business advisory services under ZICO Labuan LLP in Malaysia also contributed to the growth of this segment. The LS segment’s rise in revenue was led by higher royalty fees from an increase of net revenue from licensees.

The Management and Support Services (“MSS”) segment’s revenue decreased 18.5% to RM4.4 million in 3Q2016, due to a revision of fees in 3Q2015 which did not recur in 3Q2016.

During the quarter, the ATS segment remained as ZICO’s largest revenue contributor, making up 66.9% of overall topline while the MSS and LS segments accounted for 24.7% and 8.4% respectively.

Total operating costs for the quarter rose to RM17.7 million, of which employee benefits expenses is RM10.1 million. There was also a rise in amortisation and depreciation, operating leases and other expenses, which were offset partially by a RM0.9 million decrease in retainer and consultancy fees.

Overall, ZICO registered a 51.3% decrease in profit after tax to RM1.0 million in 3Q2016 and a 37.7% decrease in profit after tax to RM4.4 million in 9M2016.

ZICO's cash and cash equivalents stood at RM25.8 million as at 30 September 2016.

OUTLOOK

Commenting on ZICO's outlook, Mr Chew said, "We recognise the headwinds posed by the challenging economic outlook, volatile capital and foreign exchange markets, and uncertainties in international trade. However, we remain positive about the long term and continue to opportunistically invest resources in pursuing growth both organically and through acquisitions of services."

ABOUT THE GROUP

ZICO, an integrated provider of multidisciplinary professional services focused on the ASEAN region, provides advisory and transactional services, management and support services and licensing services. Through its multidisciplinary services, regional capabilities and local insights, ZICO enables its clients to capitalise on opportunities across Southeast Asia.

The Group currently operates in three key business segments: (i) advisory and transactional services; (ii) management and support services; and (iii) licensing services.

Within the advisory and transactional services business segment, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth planning services and corporate finance advisory services. ZICO provides legal services only to the extent permitted in the relevant jurisdictions. In other jurisdictions, ZICO cooperates with and supports independent and autonomous law firms who are members of the ZICOLaw Network, in compliance with local professional regulations. Presently, ZICO provides legal services in Myanmar and Lao PDR.

For the management and support services business segment, the Group provides regional management services and business support services to members of the ZICOLaw Network and to certain entities within the Group.

ZICO also engages in the licensing of the "ZICO", "ZICOLaw" and "ZICOLaw Trusted Business Advisor" trademarks to members of the ZICOLaw Network and certain entities within the Group.

ZICO has business operations in Indonesia, Lao PDR, Malaysia (including Labuan), Myanmar and Singapore. The Group augments its existing regional presence with that of the ZICOLaw network to extend its reach to 8 out of 10 countries in Southeast Asia. These 8 countries include those where ZICO has business operations in as well as Cambodia, Thailand and Vietnam where ZICO does not presently have business operations.

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

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

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

The contact person for the Sponsor is Mr Yap Wai Ming:

Telephone number: (65) 6389 3000

Email address: waiming.yap@morganlewis.com

ISSUED ON BEHALF OF : ZICO Holdings Inc.
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Ms Dolores Phua / Mr Dickson Chew
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9159-5658 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com
dickson.chew@citigatedrimage.com

14 November 2016