

**ZICO HOLDINGS INC.**

(Company Registration No. LL07968)

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**Unaudited Financial Statements and Dividend Announcement  
For the Financial Period Ended 30 September 2019**

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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group			Group		
	Three Months Ended			Nine Months Ended		
	30 September 2019	30 September 2018	Change	30 September 2019	30 September 2018	Change
	(Unaudited) RM'000	(Unaudited) RM'000	%	(Unaudited) RM'000	(Unaudited) RM'000	%
Revenue	19,134	22,569	(15.2)	61,921	67,491	(8.3)
<b>Other items of income</b>						
Interest income	1,049	89	1,078.7	1,684	196	759.2
Other income	1,057	792	33.5	3,677	1,755	109.5
	21,240	23,450	(9.4)	67,282	69,442	(3.1)
<b>Other gains and losses</b>						
Others	107	142	(24.6)	(243)	(44)	(452.3)
(Loss)/Gain allowance on trade and other receivables	(22)	(51)	(56.9)	137	80	71.3
	21,325	23,541	(9.4)	67,176	69,478	(3.3)
<b>Items of expense</b>						
Amortisation and depreciation expenses	(1,195)	(1,379)	(13.3)	(3,821)	(3,743)	2.1
Employee benefits expense	(13,443)	(12,914)	4.1	(40,957)	(38,168)	7.3
Operating lease expenses	(1,708)	(1,442)	18.4	(5,065)	(4,050)	25.1
Retainer fees and consultancy fees	(1,460)	(1,828)	(20.1)	(4,795)	(4,824)	(0.6)
Other expenses	(3,042)	(4,332)	(29.8)	(10,166)	(11,223)	(9.4)
Finance costs	(797)	(505)	57.8	(2,665)	(1,293)	106.1
	(21,645)	(22,400)	(0.3)	(67,469)	(63,301)	6.6
	(320)	1,141	(128.0)	(293)	6,177	(104.7)
Share of results of associates, net of tax	4	4	-	9	20	(55.0)
Share of results of joint venture, net of tax	759	94	707.4	2,177	94	2,216
<b>Profit before income tax</b>	443	1,239	(64.2)	1,893	6,291	(69.9)
Income tax credit / (expense)	163	(226)	(172.1)	716	(729)	(198.2)
<b>Profit for the financial period</b>	606	1,013	(40.2)	2,609	5,562	(53.1)

	Group			Group		
	Three Months Ended			Nine Months Ended		
	30 September 2019	30 September 2018	Change	30 September 2019	30 September 2018	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Fair value loss on financial assets, available-for-sale	-	(964)	(100.0)	-	(1,026)	(100.0)
Foreign currency translation differences	(1,030)	2,143	(148.1)	(975)	177	(650.8)
	(1,030)	1,179	(187.4)	(975)	(849)	14.8
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Fair value losses on financial assets, at FVOCI	(369)	-	n.m	(724)	-	n.m
Foreign currency translation differences	71	(137)	(151.8)	(203)	(137)	48.2
<b>Other comprehensive loss for the financial period, net of tax</b>	(1,328)	1,042	(227.4)	(1,902)	(986)	92.9
<b>Total comprehensive income/(loss) for the financial period</b>	(722)	2,055	(135.1)	707	4,576	(84.5)
<b>Profit attributable to:</b>						
Owners of the parent	1,199	877	36.7	2,733	3,714	(26.4)
Non-controlling interests	(593)	136	(536.0)	(124)	1,848	(106.7)
	606	1,013	(40.2)	2,609	5,562	(53.1)
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	(232)	2,085	(111.1)	1,037	2,967	(65.0)
Non-controlling interests	(490)	(30)	(1,533)	(330)	1,609	(120.5)
	(722)	2,055	(135.1)	707	4,576	(84.5)

n.m. – not meaningful

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

Profit for the financial year is stated after charging/(crediting) the following:	Three Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2019	2018	2019	2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
<b><i>Other gains and losses</i></b>				
Trade and other receivables written off	(17)	(9)	(118)	(103)
Loss on disposal of AFS	(21)	-	(21)	-
Unrealised foreign exchange gain/(loss), net	164	183	(14)	212
Realised foreign exchange loss, net	(19)	(33)	(90)	(153)
<b><i>Amortisation and depreciation expenses</i></b>				
Amortisation of intangible assets	808	1,031	2,678	2,714
Depreciation of plant and equipment	387	348	1,143	1,029
<b><i>Employee benefits expense</i></b>				
Share based payment expenses	300	279	896	1,240
<b><i>Operating lease expenses</i></b>				
Amortisation of right-of-use assets	2,018	-	4,917	-
Rental of premises	(328)	1,398	94	4,000
Rental of accommodation	18	44	54	50
<b><i>Other expenses</i></b>				
Loss on disposal of plant and equipment	-	-	-	9
Plant and equipment written off	-	4	-	4
<b><i>Income tax expenses</i></b>				
Over/(under) provision of income tax in respect of prior year	214	(3)	214	(3)

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>30 September 2019 (Unaudited) RM'000</b>	<b>31 December 2018 (Audited) RM'000</b>	<b>30 September 2019 (Unaudited) RM'000</b>	<b>31 December 2018 (Audited) RM'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	5,669	6,571	73	84
Right-of-use assets	19,613	-	1,331	-
Intangible assets	59,716	62,847	1,868	2,264
Subsidiaries	-	-	65,794	64,581
Associates	12	28	2	2
Joint venture	13,033	10,856	9,322	9,356
Investments	2,215	2,410	-	-
Deferred income tax assets	7,014	4,645	-	-
Trade and other receivables	4,611	4,611	36,235	36,235
	<b>111,883</b>	<b>91,968</b>	<b>114,625</b>	<b>112,522</b>
<b>Current assets</b>				
Trade and other receivables	111,501	96,518	44,292	43,539
Prepayments	770	1,154	109	401
Current income tax recoverable	679	831	-	1
Cash and cash equivalents	14,238	15,956	247	841
Other current assets	2,688	6,759	5	5
	<b>129,876</b>	<b>121,218</b>	<b>44,653</b>	<b>44,787</b>
<b>Total assets</b>	<b>241,759</b>	<b>213,186</b>	<b>159,278</b>	<b>157,309</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	94,328	84,132	94,328	84,132
Share based-reserve	3,024	3,294	3,024	3,294
Currency translation reserve	2,662	3,637	9,613	9,908
Fair value reserve	(2,016)	(1,295)	-	-
Retained earnings	27,198	25,705	1,989	3,491
<b>Equity attributable to owners of the parent</b>	<b>125,196</b>	<b>115,473</b>	<b>108,954</b>	<b>100,825</b>
Non-controlling interests	(1,548)	552	-	-
<b>Total equity</b>	<b>123,648</b>	<b>116,025</b>	<b>108,954</b>	<b>100,825</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	5,265	3,584	5,265	3,582
Lease liabilities	13,793	-	916	-
Provisions	131	129	-	-
Deferred income tax liabilities	1,510	1,830	-	-
	<b>20,699</b>	<b>5,543</b>	<b>6,181</b>	<b>3,582</b>
<b>Current liabilities</b>				
Trade and other payables	29,122	25,447	4,597	10,759
Interest-bearing liabilities	50,489	56,124	39,113	42,143
Lease liabilities	7,145	-	423	-
Contracted liabilities	7,791	6,917	-	-
Provisions	20	20	-	-
Current income tax payable	2,845	3,110	10	-
	<b>97,412</b>	<b>91,618</b>	<b>44,143</b>	<b>52,902</b>
<b>Total liabilities</b>	<b>118,111</b>	<b>97,161</b>	<b>50,324</b>	<b>56,484</b>
<b>Total equity and liabilities</b>	<b>241,759</b>	<b>213,186</b>	<b>159,278</b>	<b>157,309</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities-**

**Amount repayable in one year or less, or on demand**

<b>As at 30 September 2019 (Unaudited)</b>		<b>As at 31 December 2018 (Audited)</b>	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
50,489	-	56,124	-

**Amount repayable after one year**

<b>As at 30 September 2019 (Unaudited)</b>		<b>As at 31 December 2018 (Audited)</b>	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
5,265	-	3,584	-

**Details of any collateral**

The secured borrowings comprised:

	<b>As at 30 September 2019 (Unaudited) RM'000</b>	<b>As at 31 December 2018 (Audited) RM'000</b>	<b>Secured by</b>
Finance lease facilities	10	48	RM10,000 mortgage over the leased motor vehicles.
Term loan	5,708	3,643	1) Letter of undertaking by a director; and 2) Assignment of dividends due to the Company by a subsidiary
Revolving credit	41,669	47,517	Corporate guarantee for all moneys owing by certain subsidiaries
Bank overdraft	8,367	8,500	Corporate guarantee by a subsidiary
	<u>55,754</u>	<u>59,708</u>	

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Cash Flows**

	Three Months Ended		Nine Months Ended	
	30 September 2019 (Unaudited) RM'000	30 September 2018 (Unaudited) RM'000	30 September 2019 (Unaudited) RM'000	30 September 2018 (Unaudited) RM'000
<b>Operating activities</b>				
Profit before income tax	443	1,239	1,893	6,291
Adjustments for:				
Amortisation of intangible assets	808	1,031	2,678	2,714
Trade and other receivables written off	17	9	118	103
Depreciation of plant and equipment	387	348	1,143	1,029
Depreciation of right-of-use	2,018	-	4,917	-
Loss/(Gain) allowance on trade and other receivables	22	51	(137)	(80)
Interest income	(1,049)	(89)	(1,684)	(196)
Interest expense	491	505	1,796	1,293
Loss on disposal of plant and equipment	-	-	-	9
Plant and equipment written off	-	4	-	4
Provision	2	-	2	-
Share of results of associates, net of tax	(4)	(4)	(9)	(20)
Share of results of joint venture, net of tax	(759)	(94)	(2,177)	(94)
Unrealised foreign exchange (gain)/loss, net	(164)	(183)	14	(212)
Share based payment expenses	300	279	896	1,240
<b>Operating cash flows before working capital changes</b>	<b>2,512</b>	<b>3,096</b>	<b>9,450</b>	<b>12,081</b>
<b>Working capital changes:</b>				
Trade and other receivables	(3,278)	(370)	(16,531)	(6,748)
Prepayments	(111)	(258)	179	269
Trade and other payables	2,593	(348)	3,789	(132)
Cash (used in)/generated from operations	1,716	2,120	(3,113)	5,470
Income tax paid	(1,150)	(673)	(741)	(1,864)
<b>Net cash generated from / (used in) operating activities</b>	<b>566</b>	<b>1,447</b>	<b>(3,854)</b>	<b>3,606</b>

	Three Months Ended		Nine Months Ended	
	30 September 2019 (Unaudited) RM'000	30 September 2018 (Unaudited) RM'000	30 September 2019 (Unaudited) RM'000	30 September 2018 (Unaudited) RM'000
<b>Investing activities</b>				
Acquisition of subsidiary, net of cash acquired	-	-	-	627
Advances to associate	(272)	(1,334)	(2,117)	(4,556)
(Advances to) /Repayment from third parties	83	(453)	127	(156)
Dividend received	-	-	-	30
Interest received	1,049	89	1,684	196
Joint venture, net of cash acquired	-	(9,162)	-	(9,162)
Proceeds from disposal of plant and equipment	-	1	-	1
Purchase of plant and equipment	(60)	(15)	(130)	(270)
Purchase of intangible assets	(4)	(604)	(55)	(744)
Purchase of financial asset, available-for-sale	3	-	(327)	-
Addition of investment	-	(3,243)	-	(3,243)
<b>Net cash generated from / (used in) investing activities</b>	<b>799</b>	<b>(14,722)</b>	<b>(818)</b>	<b>(17,277)</b>
<b>Financing activities</b>				
Interest paid	(491)	(505)	(1,796)	(1,293)
Issuance of ordinary shares	-	-	10,196	-
Dividends paid to non-controlling interests	-	-	(1,770)	(1,744)
Proceeds from/(Repayment of) term loan facility	-	(300)	3,060	(5,981)
(Repayment of)/Proceeds from revolving credit facility	(1,229)	11,873	(6,566)	13,744
Repayments of finance lease payables	13	(15)	(40)	(43)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,707)</b>	<b>11,053</b>	<b>3,084</b>	<b>4,683</b>
Net change in cash and cash equivalents	(342)	(2,222)	(1,588)	(8,988)
Cash and cash equivalents at beginning of financial year	6,179	11,972	7,456	18,340
Effect of exchange rate changes on cash and cash equivalents	34	(445)	3	(47)
<b>Cash and cash equivalents at end of the financial period</b>	<b>5,871</b>	<b>9,305</b>	<b>5,871</b>	<b>9,305</b>



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Changes in Equity**

**Group**

**(Unaudited)**

	Share capital	Share-based reserve	Retained earnings	Currency translation reserve	Fair value reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2019	84,132	3,294	25,705	3,637	(1,295)	115,473	552	116,025
Adoption of IFRS 16	-	-	(1,240)	-	-	(1,240)	-	(1,240)
	84,132	3,294	24,465	3,637	(1,295)	114,233	552	114,785
<b>Profit for the financial period</b>	-	-	2,733	-	-	2,733	(124)	2,609
<b>Other comprehensive loss:</b>								
Fair value loss on financial assets	-	-	-	-	(721)	(721)	(3)	(724)
Foreign currency translation differences	-	-	-	(975)	-	(975)	(203)	(1,178)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	2,733	(975)	(721)	1,037	(330)	707
<b>Contributions by and distributions to owners of the parent</b>								
Issuance of ordinary shares	9,030	-	-	-	-	9,030	-	9,030
Exercise of share awards	1,166	(1,166)	-	-	-	-	-	-
Grant of share awards	-	896	-	-	-	896	-	896
<b>Total transactions with owners of the parent</b>	10,196	(270)	-	-	-	9,926	-	9,926
<b>Transactions with non-controlling interests</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,770)	(1,770)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	(1,770)	(1,770)
Balance as at 30 September 2019	94,328	3,024	27,198	2,662	(2,016)	125,196	(1,548)	123,648

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Fair value reserve</b>	<b>Equity attributable to owners of the parent</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2018	82,592	2,643	23,236	2,855	(32)	111,294	2,269	113,563
<b>Profit for the financial period</b>	-	-	3,714	-	-	3,714	1,848	5,562
<b>Other comprehensive loss:</b>								
Fair value loss on financial assets	-	-	-	-	(924)	(924)	(102)	(1,026)
Foreign currency translation differences	-	-	-	177	-	177	(137)	40
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	3,714	177	(924)	2,967	1,609	4,576
<b>Contributions by and distributions to owners of the parent</b>								
Exercise of share awards	1,540	(1,540)	-	-	-	-	-	-
Grant of share awards	-	1,240	-	-	-	1,240	-	1,240
<b>Total transactions with owners of the parent</b>	1,540	(300)	-	-	-	1,240	-	1,240
<b>Transactions with non-controlling interests</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,744)	(1,744)
Subscription of shares of a subsidiary	-	-	-	-	-	-	(2,058)	(2,058)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	(3,802)	(3,802)
Balance as at 30 September 2018	84,132	2,343	26,950	3,032	(956)	115,501	76	115,577

**Statement of Changes in Equity  
Company**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2019	84,132	3,294	3,491	9,908	100,825
Adoption of IFRS 16	-	-	(26)	-	(26)
	84,132	3,294	3,465	9,908	100,799
<b>Loss for the financial period</b>	-	-	(1,476)	-	(1,476)
<b>Other comprehensive loss:</b> Foreign currency translation differences	-	-	-	(295)	(295)
<b>Total comprehensive income / (loss) for the financial period</b>	-	-	(1,476)	(295)	(1,771)
<b>Contributions by and distributions to owners of the parent</b>					
Issuance of ordinary shares	9,030	-	-	-	9,030
Exercise of share awards	1,166	(1,166)	-	-	-
Grant of share awards	-	896	-	-	896
<b>Total transactions with owners of the parent</b>	10,196	(270)	-	-	9,926
Balance as at 30 September 2019	94,328	3,024	1,989	9,613	108,954

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2018	82,592	2,643	1,374	9,778	96,387
<b>Loss for the financial period</b>	-	-	(185)	-	(185)
<b>Other comprehensive loss:</b> Foreign currency translation differences	-	-	-	(309)	(309)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	(185)	(309)	(494)
<b>Contributions by and distributions to owners of the parent</b>					
Exercise of share awards	1,540	(1,220)	-	-	320
Grant of share awards	-	920	-	-	920
<b>Total transactions with owners of the parent</b>	1,540	(300)	-	-	1,240
Balance as at 30 September 2018	84,132	2,343	1,189	9,469	97,133

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Shares Capital – Ordinary Shares**

	<b>Number of issued shares</b>	<b>Issued and paid-up share capital (RM)</b>
Balance as at 1 January 2019	301,569,463	84,131,694
Issue of new ordinary shares <sup>(1)</sup>	1,006,309	424,086
Issue of new ordinary shares <sup>(2)</sup>	20,000,000	9,030,600
Issue of new ordinary shares <sup>(3)</sup>	771,653	351,492
Issue of new ordinary shares <sup>(4)</sup>	903,317	390,470
<b>Balance as at 30 September 2019</b>	<b>324,250,742</b>	<b>94,328,342</b>

Notes:-

- (1) The issuance of new shares is in relation to the vesting of 788,352 share awards and 217,957 new shares pursuant to the New Awards on 21 March 2019 under the ZICO Holdings Performance Share Plan ("PSP").
- (2) The issuance of new 20,000,000 shares in respect of placement of shares on 25 March 2019.
- (3) The issuance of new shares is in relation to the vesting of 771,653 share awards new shares pursuant to the New Awards on 22 April 2019 under the ZICO Holdings Performance Share Plan ("PSP").
- (4) The issuance of new shares is in relation to the vesting of 903,317 share awards new shares pursuant to the New Awards on 21 May 2019 under the ZICO Holdings Performance Share Plan ("PSP").

There were 3,500,000 outstanding options (30 September 2018: 3,500,000 options) and 2,785,045 share awards granted but unvested under the PSP as at 30 September 2019 (30 September 2018: 5,391,703).

Save for the above, the Company did not have any convertibles or treasury shares as at 30 September 2019 and 30 September 2018.

The Company did not have any subsidiary holdings as at 30 September 2019 and 30 September 2018.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	<b>As at 30 September 2019</b>	<b>As at 31 December 2018</b>
Total number of issued shares	324,250,742	301,569,463

The Company did not have any treasury shares as at 30 September 2019 and 31 December 2018.

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group's financial statements for the financial period ended 30 September 2019 was prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The Group has performed a detailed analysis of the transition options and other requirements of IFRSs and has determined that there are no changes to the Group's current accounting policies under the IFRSs or material adjustments on the initial transition to the new framework.

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

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to paragraph 4 above.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group			
Earnings per share ("EPS")	Three Months Ended		Nine Months Ended	
	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)	30 September 2019 (Unaudited)	30 September 2018 (Unaudited)
Profit attributable to owners of the parent (RM'000)	1,199	877	2,733	3,714
Weighted average number of ordinary shares in issue (in thousands)	317,102 <sup>(1)</sup>	300,730 <sup>(3)</sup>	317,102 <sup>(1)</sup>	300,730 <sup>(3)</sup>
Basic EPS (RM cents)	0.38	0.29	0.86	1.23
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	321,399 <sup>(2)</sup>	303,668 <sup>(4)</sup>	321,399 <sup>(2)</sup>	303,668 <sup>(4)</sup>
Fully diluted EPS (RM cents)	0.37	0.29	0.85	1.22

Note:-

- (1) Adjusted for 2,463,322 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
- 788,352 shares on 21 March 2019
  - 771,653 shares on 22 April 2019
  - 903,317 shares on 21 May 2019

and; the issuance of new 217,957 shares pursuant to the New Award under the PSP on 21 March 2019; and subscription of 20,000,000 placement shares on 25 March 2019.

- (2) Adjusted for 6,285,045 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 2,785,045 outstanding share awards as at 30 September 2019.
- (3) Adjusted for 2,152,023 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
- 811,656 shares on 21 March 2018
  - 799,985 shares on 23 April 2018
  - 540,382 shares on 21 May 2018
- (4) Adjusted for 8,891,703 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 5,391,703 outstanding share awards as at 30 September 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
- (a) Current period reported on; and
- (b) Immediately preceding financial year

Net asset value ("NAV")	Group		Company	
	30 September 2019 (Unaudited)	31 December 2018 (Audited)	30 September 2019 (Unaudited)	31 December 2018 (Audited)
NAV (RM'000)	125,196	115,473	108,954	100,825
Number of ordinary shares in issue (in thousands)	324,251	301,569	324,251	301,569
NAV per ordinary share (RM cents)	38.61	38.29	33.60	33.43



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

#### Consolidated Statement of Comprehensive Income

***Review for the performance of the Group for the three months ended 30 September 2019 ("3Q2019") as compared to the three months ended 30 September 2018 ("3Q2018").***

#### Revenue

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

	<b>3Q2019 (RM million)</b>	<b>3Q2018 (RM million)</b>	<b>% change</b>
Advisory and Transactional Services ("ATS")	17.3	17.0	1.7
Management and Support Services Business & Licensing Services ( ("MSSL")	1.8	5.6	(67.9)
<b>Total</b>	<b>19.1</b>	<b>22.6</b>	<b>(15.5)</b>

The increase in the Group's revenue was due to the higher revenue from ATS segments.

Higher revenue from ATS was mainly due to the additional revenue contributions from advisory services consulting business under Asean Advisory Pte Ltd ("AAPL").

The decrease in revenue from MSSL was mainly due to the lower revenue contributions from management and support services under ZICO Knowledge Services Sdn. Bhd. ("ZIKS").

Subsequent to the balance sheet date and the Company's extraordinary general meeting on 4 November 2019, the Company has completed the disposal of the entire issued and paid-up share capitals of Finova Singapore Pte Ltd and ZICO BPO Pte Ltd on 4 November 2019.

#### Other items of income

##### *Interest income*

The interest income increased by RM1.0 million due to interest income on long outstanding trade debtor balances in 3Q2019.

##### *Other income*

Other income increased by RM0.3 million mainly due to higher reimbursement income from client in ZICOLaw Thailand Ltd and corporate secretarial businesses.

#### Items of expense

##### *Amortisation and depreciation expenses*

Amortisation and depreciation expenses decreased by RM0.2 million mainly due to certain assets being fully amortised and depreciated.

*Employee benefits expense*

Employee benefits expense increased by RM0.5 million mainly due to the additional headcount by ZICO Trust (S) Ltd (“ZAT”) due to expansion of business.

*Operating lease expenses*

Operating lease expenses increased by RM0.3 million mainly due to the impact on adoption of IFRS16 Leases.

*Retainer fees and consultancy fees*

Retainer fees and consultancy fees had decreased by RM0.4 million mainly due to lower consultancy fees incurred by ZICO Consultancy Sdn. Bhd.

*Other expenses*

Other expenses decreased by RM1.3 million mainly due to lower IT software maintenance expenses incurred by MSSSL and lower reimbursable expenses incurred by B.A.C.S. Pte. Ltd. (“B.A.C.S.”).

*Finance Costs*

Finance costs increased by RM0.3 million mainly due to the impact on adoption of IFRS16 Leases; being impact of discounting effect on lease liabilities.

*Share of associates results*

Share of associate results is consistent with 3Q2018.

*Share of joint venture results*

Share of joint venture results is higher by RM0.7 million mainly due to higher income generated by a joint venture company.

#### Profit before income tax

Profit before income tax was lower by RM0.8 million mainly due to lower revenue generated by the Group and set-off by lower expenses as indicated above.

#### Income tax credit / (expense)

Income tax credit increased by RM0.4 million in 3Q2019 mainly due to higher deferred tax assets recognized for the unutilised tax losses of the subsidiaries.

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

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

#### Foreign currency translation difference

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

#### Profit for the financial period

Profit for the financial period was lower by RM0.4 million mainly due higher income tax credit as indicated above and set-off with the higher expenses incurred by the Group.

## Consolidated Statement of Financial Position

***The comparative performance for both the assets and liabilities are based on the financial statements as at 30 September 2019 and 31 December 2018.***

### Non-current assets

Plant and equipment decreased by RM0.9 million mainly due to (i) depreciation charge for the current financial period and (ii) translation of plant and equipment at different closing rate as compared to 31 December 2018.

Right-of-use assets increased by RM19.6 million (100%) mainly due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

Intangible assets decreased by RM3.1 million mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., FINOVA, as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2018 and (ii) amortisation of the computer software and identifiable assets for the current financial period.

Investment in associates decreased by RM16k mainly due to the share of associate's profit and offset against dividend paid in May 2019 by an associate.

Investment in a joint venture increased by RM2.2 million mainly due to the share of joint venture's profit during financial period ended 30 September 2019.

Investments decreased by RM0.2 million mainly due to the disposal of investment in shares and fair value adjustments of shares held by ZICO Capital Pte. Ltd. ("ZICAPSG").

Deferred tax assets increased by RM2.4 million mainly due to recognition of deferred tax assets for the unutilised tax losses of certain subsidiaries.

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

### Current assets

Current trade and other receivables increased by RM15.0 million mainly due to the additional billings recognized at the end of September 2019 by ATS.

Prepayments decreased by RM0.4 million mainly due to amortisation of consultancy fee incurred and insurance.

Current income tax recoverable decreased by RM0.2 million mainly due to tax refunds received from Malaysia tax authorities.

Cash and cash equivalents decreased by RM1.7 million mainly due to cash being utilised for operations, which is partially offset by the placement proceeds.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) decreased by RM4.1 million mainly due to the disbursement of monies held in trust for clients during financial period ended 30 September 2019.



### Non-current liabilities

The increase in non-current interest-bearing liabilities by RM1.7 million was mainly due to the additional drawdown of term loan facilities.

Lease liabilities increased by RM13.8 million (100%) mainly due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

The increase in the provisions due to fluctuation of the foreign exchange rate as compared to 31 December 2018.

The decrease in deferred tax liabilities ("DTL") by RM0.3 million was mainly due to the reversal of deferred tax liabilities on amortisation of identifiable intangible assets arising from the acquisition of B.A.C.S. and FINOVA.

### Current liabilities

Trade and other payables increased by RM3.7 million mainly due to increase in payables for computer software incurred by MSSL and payroll related costs during financial period ended 30 September 2019.

Current interest-bearing liabilities decreased by RM5.6 million mainly due to the repayment for the term loan facilities and the finance lease payables.

Lease liabilities increased by RM7.1 million (100%) mainly due to the Company adopting IFRS16 using the modified retrospective method with no restatement of comparative information.

Contracted liabilities increased by RM0.9 million mainly due to increased billings to the clients under the corporate secretarial and trust business and offset with the translation of deferred revenue at a different closing rate as compared to 31 December 2018.

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

The decrease in current income tax payable by RM0.3 million was mainly due to the provision of tax on profits generated being lower as compared to tax installment payments.

### Consolidated Statement of Cash Flow

The net cash generated from operating activities of RM0.6 million in 3Q2019 was mainly due to the profit before income tax of RM0.4 million partially offset by (i) increase in trade and other receivables as a result of billings to debtors, (ii) increase in trade and other payables towards end of September 2019 and (iii) income tax paid.

Net cash generated from investing activities of RM0.8 million in 3Q2019 was mainly due to interest received offset by net cash utilised for advances to associates.

Net cash used in financing activities of RM1.7 million in 3Q2019 was mainly due to repayment of revolving credit facilities.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Uncertainty in US-China trade relations have continued to affect the professional services sector in the ASEAN region. This is reflected in the lower revenue contribution and earnings from the Group's capital markets, corporate and other services, especially in Singapore. We expect the current business environment to remain challenging in the near future. The Group's strategy going forward is to ensure that its businesses are resilient and profitable.

**11. Dividend**

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period reported on.

(b)(i) Amount per share (cents)  
(Optional) Rate (%)

Not applicable.

(b)(ii) Previous corresponding period (cents)  
(Optional) Rate (%)

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect for the reason(s) for the decision.**

No dividend has been declared or recommended for 3Q2019 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions of S\$100,000 and above in 3Q2019.

IPT below S\$100,000 comprise the following:

- 1) Payment to Mr Stephen Arthur Maloy of SGD24,950 per quarter, as disclosed in the Company's corporate governance report, with reference to the Company's annual report 2018, page 41.
- 2) Advances to the Company's associated entity ShakeUp Online Sdn Bhd ("Shakeup") for operational requirements. Each transaction is below SGD100,000. Shakeup is an interested person under Chapter 9 of the Catalist Rules, as it is an associate of Mr Chew Liong Kim, a director of the Company. He holds 80% equity interest in Shakeup.

**14. Use of IPO proceeds**

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

**15. Use of Placement proceeds**

As announced on 13 May 2019, the proceeds from placement exercise announced on 14 March 2019 and completed on 25 March 2019 have been fully utilized. The utilization is consistent with the announcement on 13 May 2019.

**16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.



**17. Negative Confirmation by the Board Pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the nine months ended 30 September 2019 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

11 November 2019

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

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

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