

**ZICO HOLDINGS INC.**  
**AND ITS SUBSIDIARIES**  
(Co. Reg. No. LL07968)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**31 DECEMBER 2022**

**ZICO HOLDINGS INC. AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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## Interim condensed consolidated statement of comprehensive income

For the financial year ended 31 December 2022

|   | Note | Group               |                     |         | Group               |                     |         |
|---|------|---------------------|---------------------|---------|---------------------|---------------------|---------|
|   |      | Six Months Ended    |                     |         | Full Year Ended     |                     |         |
|   |      | 31 December<br>2022 | 31 December<br>2021 | Change  | 31 December<br>2022 | 31 December<br>2021 | Change  |
|   |      | (Unaudited)         | (Unaudited)         | %       | (Unaudited)         | (Audited)           | %       |
|   |      | RM'000              | RM'000              |         | RM'000              | RM'000              |         |
| Revenue                                       | 4    | 35,161              | 31,861              | 10.4    | 64,945              | 69,032              | (5.9)   |
| <b>Other items of income</b>                  |      |                     |                     |         |                     |                     |         |
| Interest income                               |      | 1,480               | 1,631               | (9.3)   | 2,614               | 1,792               | 45.9    |
| Other income                                  |      | 3,096               | 1,695               | 82.7    | 6,451               | 6,391               | 0.9     |
|   |      | 39,737              | 35,187              | 12.9    | 74,010              | 77,215              | (4.2)   |
| <b>Other gains and (losses)</b>               |      |                     |                     |         |                     |                     |         |
| Others  | 5    | (1,811)             | 6,543               | (127.7) | (461)               | 6,516               | (107.1) |
| Loss allowance on trade and other receivables |      | (279)               | (2,370)             | (88.2)  | 887                 | (3,764)             | (123.6) |
|   |      | 37,647              | 39,360              | (4.4)   | 74,436              | 79,967              | (6.9)   |
| <b>Items of expense</b>                       |      |                     |                     |         |                     |                     |         |
| Amortisation and depreciation expenses        | 5    | (3,511)             | (6,319)             | (44.4)  | (6,468)             | (10,309)            | (37.3)  |
| Employee benefits expense                     |      | (26,078)            | (22,704)            | 14.9    | (51,403)            | (49,016)            | 4.9     |
| Operating lease expenses                      | 5    | (75)                | 1,542               | (104.9) | (449)               | (452)               | (0.7)   |
| Retainer fees and consultancy fees            |      | (2,408)             | (4,128)             | (41.7)  | (4,898)             | (5,627)             | (13.0)  |
| Other expenses                                |      | (6,074)             | (4,659)             | 30.4    | (11,607)            | (9,583)             | 21.1    |
| Finance costs                                 |      | (1,754)             | (748)               | 134.5   | (2,836)             | (1,768)             | 60.4    |
|   |      | (39,900)            | (37,016)            | 7.8     | (77,661)            | (76,755)            | 1.2     |
|   |      | (2,253)             | 2,344               | (196.1) | (3,225)             | 3,212               | (200.4) |
| Share of results of associates, net of tax    |      | 18                  | 31                  | (41.9)  | 36                  | 48                  | (25.0)  |
| Share of results of joint venture, net of tax |      | 753                 | 942                 | (20.1)  | 2,243               | 2,320               | (3.3)   |
| <b>Profit / (Loss) before income tax</b>      |      | (1,482)             | 3,317               | (144.6) | (946)               | 5,580               | (116.9) |
| Income tax (expense) / credit                 | 7    | 1,901               | (1,952)             | (197.4) | 1,499               | (3,592)             | (141.7) |
| <b>Profit for the financial period / year</b> |      | 419                 | 1,365               | (69.3)  | 553                 | 1,988               | (72.2)  |

|   | Group  |  |                | Group  |  |                |
|---|--|--|----------------|--|--|----------------|
|   | Six Months Ended                             |  |                | Full Year Ended                              |  |                |
|   | 31 December<br>2022<br>(Unaudited)<br>RM'000 | 31 December<br>2021<br>(Unaudited)<br>RM'000 | Change<br>%    | 31 December<br>2022<br>(Unaudited)<br>RM'000 | 31 December<br>2021<br>(Audited)<br>RM'000 | Change<br>%    |
| <b>Other comprehensive income / (loss)</b>  |  |  |                |  |  |                |
| <i>Items that may be reclassified subsequently to profit or loss</i>                  |  |  |                |  |  |                |
| Foreign currency translation differences  | (1,958)                                      | (1,152)                                      | (70.0)         | (1,546)                                      | 539  | (386.8)        |
| <i>Items that will not be reclassified subsequently to profit or loss</i>             |  |  |                |  |  |                |
| Fair value losses on financial assets, at FVOCI                                       | 483  | 121  | 299.2          | (456)  | (921)                                      | (50.5)         |
| Foreign currency translation differences  | 2,122  | 159  | 1,234.6        | 2,298  | 401  | 473.1          |
| <b>Other comprehensive income / (loss) for the financial period/ year, net of tax</b> | <u>647</u>                                   | <u>(872)</u>                                 | <u>(174.2)</u> | <u>296</u>                                   | <u>19</u>                                  | <u>1,457.9</u> |
| <b>Total comprehensive income for the financial period / year</b>                     | <u>1,066</u>                                 | <u>493</u>                                   | <u>116.2</u>   | <u>849</u>                                   | <u>2,007</u>                               | <u>(57.7)</u>  |
| <b>Profit / (loss) attributable to:</b>   |  |  |                |  |  |                |
| Owners of the parent  | 83   | 754  | (89.0)         | (865)  | 882  | (198.1)        |
| Non-controlling interests   | 336  | 611  | (45.0)         | 1,418  | 1,106                                      | 28.2           |
|   | <u>419</u>                                   | <u>1,365</u>                                 | <u>(69.3)</u>  | <u>553</u>                                   | <u>1,988</u>                               | <u>(72.2)</u>  |
| <b>Total comprehensive income / (loss) attributable to:</b>                           |  |  |                |  |  |                |
| Owners of the parent  | (1,398)                                      | (257)  | (444.0)        | (2,867)                                      | 500  | (673.4)        |
| Non-controlling interests   | 2,464  | 750  | 228.5          | 3,716  | 1,507                                      | 146.6          |
|   | <u>1,066</u>                                 | <u>493</u>                                   | <u>116.2</u>   | <u>849</u>                                   | <u>2,007</u>                               | <u>(57.7)</u>  |

**Interim condensed balance sheets  
As at 31 December 2022**

|  | Note | Group                                     |   | Company                                   |   |
|--|------|---|---|---|---|
|  |      | 31 December 2022<br>(Unaudited)<br>RM'000 | 31 December 2021<br>(Audited)<br>RM'000 | 31 December 2022<br>(Unaudited)<br>RM'000 | 31 December 2021<br>(Audited)<br>RM'000 |
| <b>ASSETS</b>                                      |      |   |   |   |   |
| <b>Non-current assets</b>                          |      |   |   |   |   |
| Plant and equipment                                | 11   | 2,648                                     | 2,012                                   | 66  | 52                                      |
| Right-of-use assets                                |      | 9,311                                     | 1,957                                   | -   | 132                                     |
| Intangible assets                                  | 12   | 29,668                                    | 30,315                                  | 163                                       | 606                                     |
| Subsidiaries                                       |      | -   | -                                       | 43,161                                    | 40,536                                  |
| Associates   |      | 805                                       | 46                                      | 2   | 2                                       |
| Joint venture                                      |      | -   | 12,309                                  | -   | 9,501                                   |
| Investments  |      | 886                                       | 3,981                                   | -   | -                                       |
| Deferred income tax assets                         |      | 11,227                                    | 8,548                                   | -   | -                                       |
| Trade and other receivables                        |      | 47,567                                    | 51,686                                  | 67,856                                    | 70,841                                  |
| Prepayments  |      | -   | 958                                     | -   | -                                       |
|  |      | <b>102,112</b>                            | <b>111,812</b>                          | <b>111,248</b>                            | <b>121,670</b>                          |
| <b>Current assets</b>                              |      |   |   |   |   |
| Trade and other receivables                        |      | 44,952                                    | 37,176                                  | 30,903                                    | 34,977                                  |
| Contract assets                                    |      | 7,539                                     | 5,799                                   | -   | -                                       |
| Prepayments  |      | 2,947                                     | 631                                     | 68  | 59                                      |
| Current income tax recoverable                     |      | 251                                       | 221                                     | 15  | -                                       |
| Cash and cash equivalents                          |      | 16,888                                    | 18,169                                  | 2,211                                     | 990                                     |
| Other current assets                               |      | 19,572                                    | 3,068                                   | 15,597                                    | 6                                       |
|  |      | <b>92,149</b>                             | <b>65,064</b>                           | <b>48,794</b>                             | <b>36,032</b>                           |
| <b>Total assets</b>                                |      | <b>194,261</b>                            | <b>176,876</b>                          | <b>160,042</b>                            | <b>157,702</b>                          |
| <b>EQUITY AND LIABILITIES</b>                      |      |   |   |   |   |
| <b>Equity</b>                                      |      |   |   |   |   |
| Share capital                                      | 15   | 103,086                                   | 95,314                                  | 103,086                                   | 95,314                                  |
| Retained earnings                                  |      | 7,456                                     | 9,306                                   | 7,821                                     | 9,510                                   |
| Share based-reserve                                | 17   | 2,106                                     | 2,106                                   | 2,106                                     | 2,106                                   |
| Currency translation reserve                       |      | (564)                                     | 982                                     | 16,301                                    | 12,297                                  |
| Capital reserve                                    |      | (458)                                     | (458)                                   | -   | -                                       |
| Fair value reserve                                 |      | (1,538)                                   | (2,067)                                 | -   | -                                       |
| <b>Equity attributable to owners of the parent</b> |      | <b>110,088</b>                            | <b>105,183</b>                          | <b>129,314</b>                            | <b>119,227</b>                          |
| Non-controlling interests                          |      | 3,913                                     | 1,103                                   | -   | -                                       |
| <b>Total equity</b>                                |      | <b>114,001</b>                            | <b>106,286</b>                          | <b>129,314</b>                            | <b>119,227</b>                          |
| <b>Non-current liabilities</b>                     |      |   |   |   |   |
| Interest-bearing liabilities                       | 14   | 6,737                                     | 9,819                                   | 6,737                                     | 9,819                                   |
| Lease liabilities                                  | 14   | 8,429                                     | 246                                     | -   | -                                       |
| Provisions   |      | 353                                       | 341                                     | -   | -                                       |
| Deferred income tax liabilities                    |      | 766                                       | 709                                     | -   | -                                       |
|  |      | <b>16,285</b>                             | <b>11,115</b>                           | <b>6,737</b>                              | <b>9,819</b>                            |
| <b>Current liabilities</b>                         |      |   |   |   |   |
| Trade and other payables                           |      | 21,569                                    | 14,708                                  | 782                                       | 2,786                                   |
| Interest-bearing liabilities                       | 14   | 33,733                                    | 36,026                                  | 23,208                                    | 25,640                                  |
| Lease liabilities                                  | 14   | 1,455                                     | 1,837                                   | -   | 145                                     |
| Contract liabilities                               |      | 3,821                                     | 2,377                                   | -   | -                                       |
| Provisions   |      | 21  | 20                                      | -   | -                                       |
| Current income tax payable                         |      | 3,376                                     | 4,507                                   | 1   | 85                                      |
|  |      | <b>63,975</b>                             | <b>59,475</b>                           | <b>23,991</b>                             | <b>28,656</b>                           |
| <b>Total liabilities</b>                           |      | <b>80,260</b>                             | <b>70,590</b>                           | <b>30,728</b>                             | <b>38,475</b>                           |
| <b>Total equity and liabilities</b>                |      | <b>194,261</b>                            | <b>176,876</b>                          | <b>160,042</b>                            | <b>157,702</b>                          |

**Interim condensed statements of changes in equity  
For the financial year ended 31 December 2022**

| <b>Group</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>Capital reserve</b> | <b>Equity attributable to owners of the parent</b> | <b>Non-controlling interests</b> | <b>Total equity</b> |
|---|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------------|------------------------|--|----------------------------------|---------------------|
| <b>(Unaudited)</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>                    | <b>RM'000</b>       |
| Balance as at 1 January 2022  | 95,314               | 2,106                      | 9,306                    | 982                                 | (2,067)                   | (458)                  | 105,183  | 1,103                            | 106,286             |
| <b>Profit for the financial year</b>  | -                    | -                          | (865)                    | -                                   | -                         | -                      | (865)  | 1,418                            | 553                 |
| <b>Other comprehensive loss:</b>  |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Fair value loss on financial assets, at FVOCI                                       | -                    | -                          | -                        | -                                   | (456)                     | -                      | (456)  | -                                | (456)               |
| Foreign currency translation differences  | -                    | -                          | -                        | (1,546)                             | -                         | -                      | (1,546)  | 2,298                            | 752                 |
| <b>Total comprehensive (loss)/income for the financial year</b>                     | -                    | -                          | (865)                    | (1,546)                             | (456)                     | -                      | (2,867)  | 3,716                            | 849                 |
| Transfer upon disposal of financial assets, at FVOCI                                | -                    | -                          | (985)                    | -                                   | 985                       | -                      | -  | -                                | -                   |
| <b>Contributions by and distributions to owners of the parent</b>                   |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Issuance of shares  | 7,675                | -                          | -                        | -                                   | -                         | -                      | 7,675  | -                                | 7,675               |
| Forfeiture of share awards  | -                    | -                          | -                        | -                                   | -                         | -                      | -  | -                                | -                   |
| Grant of share awards   | 97                   | -                          | -                        | -                                   | -                         | -                      | 97   | -                                | 97                  |
| <b>Total transactions with owners of the parent</b>                                 | <b>7,772</b>         | <b>-</b>                   | <b>-</b>                 | <b>-</b>                            | <b>-</b>                  | <b>-</b>               | <b>7,772</b>                                       | <b>-</b>                         | <b>7,772</b>        |
| <i>Changes in ownership interest in Subsidiaries:</i>                               |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Changes in ownership interest in subsidiaries that do not result in loss of control | -                    | -                          | -                        | -                                   | -                         | -                      | -  | -                                | -                   |
| Dividends   | -                    | -                          | -                        | -                                   | -                         | -                      | -  | (906)                            | (906)               |
| <b>Total transactions with non-controlling interests</b>                            | <b>-</b>             | <b>-</b>                   | <b>-</b>                 | <b>-</b>                            | <b>-</b>                  | <b>-</b>               | <b>-</b>   | <b>(906)</b>                     | <b>(906)</b>        |
| Balance as at 31 December 2022  | 103,086              | 2,106                      | 7,456                    | (564)                               | (1,538)                   | (458)                  | 110,088  | 3,913                            | 114,001             |

**Interim condensed statements of changes in equity  
For the financial year ended 31 December 2021**

| <b>Group</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>Capital reserve</b> | <b>Equity attributable to owners of the parent</b> | <b>Non-controlling interests</b> | <b>Total equity</b> |
|---|----------------------|----------------------------|--------------------------|-------------------------------------|---------------------------|------------------------|--|----------------------------------|---------------------|
| <b>(Audited)</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>                    | <b>RM'000</b>       |
| Balance as at 1 January 2021  | 95,014               | 2,350                      | 9,297                    | 443                                 | (2,019)                   | (432)                  | 104,653  | 584                              | 105,237             |
| <b>Profit for the financial year</b>  | -                    | -                          | 882                      | -                                   | -                         | -                      | 882  | 1,106                            | 1,988               |
| <b>Other comprehensive loss:</b>  |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Fair value loss on financial assets, at FVOCI                                       | -                    | -                          | -                        | -                                   | (921)                     | -                      | (921)  | -                                | (921)               |
| Foreign currency translation differences  | -                    | -                          | -                        | 539                                 | -                         | -                      | 539  | 401                              | 940                 |
| <b>Total comprehensive (loss)/income for the financial year</b>                     | -                    | -                          | 882                      | 539                                 | (921)                     | -                      | 500  | 1,507                            | 2,007               |
| Transfer upon disposal of financial assets, at FVOCI                                | -                    | -                          | (873)                    | -                                   | 873                       | -                      | -  | -                                | -                   |
| <b>Contributions by and distributions to owners of the parent</b>                   |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Exercise of share awards  | 300                  | (300)                      | -                        | -                                   | -                         | -                      | -  | -                                | -                   |
| Forfeiture of share awards  | -                    | (36)                       | -                        | -                                   | -                         | -                      | (36)   | -                                | (36)                |
| Grant of share awards   | -                    | 92                         | -                        | -                                   | -                         | -                      | 92   | -                                | 92                  |
| <b>Total transactions with owners of the parent</b>                                 | 300                  | (244)                      | -                        | -                                   | -                         | -                      | 56   | -                                | 56                  |
| <b>Transactions with non-controlling interest</b>                                   |                      |                            |                          |                                     |                           |                        |  |                                  |                     |
| Dividend paid   | -                    | -                          | -                        | -                                   | -                         | -                      | -  | (1,014)                          | (1,014)             |
| Changes in ownership interest in subsidiaries that do not result in loss of control | -                    | -                          | -                        | -                                   | -                         | (26)                   | (26)   | 26                               | -                   |
| <b>Total transactions with non-controlling interests</b>                            | -                    | -                          | -                        | -                                   | -                         | (26)                   | (26)   | (988)                            | (1,014)             |
| Balance as at 31 December 2021  | 95,314               | 2,106                      | 9,306                    | 982                                 | (2,067)                   | (458)                  | 105,183  | 1,103                            | 106,286             |

**Interim condensed statements of changes in equity**  
**For the financial year ended 31 December 2022**

**Company**

| (Unaudited)   | Share<br>capital | Share-based<br>reserve | Retained<br>earnings | Currency<br>translation<br>reserve | Total<br>equity |
|---|------------------|------------------------|----------------------|------------------------------------|-----------------|
|   | RM'000           | RM'000                 | RM'000               | RM'000                             | RM'000          |
| Balance as at 1 January 2022  | 95,314           | 2,106                  | 9,510                | 12,297                             | 119,227         |
| <b>Loss for the financial year</b>  | -                | -                      | (1,689)              | -                                  | (1,689)         |
| <b>Other comprehensive loss:</b><br>Foreign currency translation<br>differences | -                | -                      | -                    | 4,004                              | 4,004           |
| <b>Total comprehensive income<br/>for the financial year</b>                    | -                | -                      | (1,689)              | 4,004                              | 2,315           |
| Fair value reserve  | -                | -                      | -                    | -                                  | -               |
| <b>Contributions by and<br/>distributions to owners of the<br/>parent</b>       |                  |                        |                      |                                    |                 |
| Issuance of shares  | 7,675            | -                      | -                    | -                                  | 7,675           |
| Exercise of share awards  | -                | -                      | -                    | -                                  | -               |
| Forfeited share awards  | -                | -                      | -                    | -                                  | -               |
| Grant of share awards   | 97               | -                      | -                    | -                                  | 97              |
| <b>Total transactions with owners<br/>of the parent</b>                         | 7,772            | -                      | -                    | -                                  | 7,772           |
| Balance as at 31 December 2022  | 103,086          | 2,106                  | 7,821                | 16,301                             | 129,314         |

**Interim condensed statements of changes in equity**  
**For the financial year ended 31 December 2021**

| <b>Company<br/>(Audited)</b>  | <b>Share<br/>capital</b> | <b>Share-based<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Currency<br/>translation<br/>reserve</b> | <b>Total<br/>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 2021  | 95,014                   | 2,350                          | 10,084                       | 10,130                                      | 117,578                 |
| <b>Loss for the financial year</b>  | -                        | -                              | (574)                        | -   | (574)                   |
| <b>Other comprehensive loss:</b><br>Foreign currency translation<br>differences | -                        | -                              | -                            | 2,167                                       | 2,167                   |
| <b>Total comprehensive income /<br/>(loss) for the financial year</b>           | -                        | -                              | (574)                        | 2,167                                       | 1,593                   |
| <b>Contributions by and<br/>distributions to owners of the<br/>parent</b>       |                          |                                |                              |   |                         |
| Exercise of share awards  | 300                      | (300)                          | -                            | -   | -                       |
| Forfeited share awards  | -                        | (36)                           | -                            | -   | (36)                    |
| Grant of share awards   | -                        | 92                             | -                            | -   | 92                      |
| <b>Total transactions with owners<br/>of the parent</b>                         | 300                      | (244)                          | -                            | -   | 56                      |
| Balance as at 31 December<br>2021   | 95,314                   | 2,106                          | 9,510                        | 12,297                                      | 119,227                 |

**Interim condensed consolidated cash flow statement**  
**For the financial year ended 31 December 2022**

|  | Full Year Ended                           |   |
|--|---|---|
|  | 31 December 2022<br>(Unaudited)<br>RM'000 | 31 December 2021<br>(Audited)<br>RM'000 |
| <b>Operating activities</b>                                |   |   |
| (Loss)/Profit before income tax                            | (946)                                     | 5,580                                   |
| Adjustments for:   |   |   |
| (Gain) / Loss allowance on trade and other receivables     | (887)                                     | 3,764                                   |
| Amortisation and depreciation expenses                     | 6,468                                     | 10,309                                  |
| Impairment loss on intangible assets                       | -   | 5                                       |
| Interest income  | (2,614)                                   | (1,792)                                 |
| Interest expense   | 2,836                                     | 1,753                                   |
| Gain on termination of leases                              | -   | (973)                                   |
| Gain on transfer of business assets                        | -   | (5,981)                                 |
| Loss on disposal of an investment in joint venture         | 1,560                                     | -                                       |
| Gain on disposal of plant and equipment                    | (24)                                      | -                                       |
| Plant & equipment written off                              | 123                                       | 10                                      |
| Provisions   | 13  | 105                                     |
| Share of results of associates, net of tax                 | (36)                                      | (48)                                    |
| Share of results of joint venture, net of tax              | (2,243)                                   | (2,320)                                 |
| Unrealised foreign exchange (gain)/loss, net               | (1,537)                                   | 342                                     |
| Share based payment expenses                               | 97  | 56                                      |
| <b>Operating cash flows before working capital changes</b> | <b>2,810</b>                              | <b>10,810</b>                           |
| <b>Working capital changes:</b>                            |   |   |
| Trade and other receivables                                | 5,692                                     | (1,146)                                 |
| Prepayments  | (1,357)                                   | (937)                                   |
| Trade and other payables                                   | 7,458                                     | 238                                     |
| Cash generated from operations                             | 14,603                                    | 8,965                                   |
| Income tax paid  | (2,299)                                   | (1,772)                                 |
| <b>Net cash generated from operating activities</b>        | <b>12,304</b>                             | <b>7,193</b>                            |

**Interim condensed consolidated cash flow statement  
For the financial year ended 31 December 2022**

|   | <b>Full Year Ended</b>  |                         |
|---|-------------------------|-------------------------|
|   | <b>31 December 2022</b> | <b>31 December 2021</b> |
|   | <b>(Unaudited)</b>      | <b>(Audited)</b>        |
|   | <b>RM'000</b>           | <b>RM'000</b>           |
| <b>Investing activities</b>                                       |                         |                         |
| Advances to associates  | (1,556)                 | (555)                   |
| Placement of fixed deposits                                       | (15,591)                | -                       |
| Interest received   | 2,614                   | 81                      |
| Dividend received   | 4,064                   | 4,531                   |
| Proceeds from transfer of business and assets                     | -                       | 6,528                   |
| Proceeds from disposal of an investment in joint venture          | 8,927                   | -                       |
| Proceeds from disposal of financial asset, FVOCI                  | 1,771                   | 1,362                   |
| Proceeds from disposal of plant and equipment                     | 244                     | -                       |
| Purchase of plant and equipment                                   | (1,476)                 | (354)                   |
| Purchase of intangible assets                                     | (61)                    | (56)                    |
| <b>Net cash (used in)/ generated from investing activities</b>    | <b>(1,064)</b>          | <b>11,537</b>           |
| <b>Financing activities</b>                                       |                         |                         |
| Interest paid   | (2,836)                 | (1,753)                 |
| Dividend paid to non-controlling interest                         | (906)                   | (1,014)                 |
| Issuance of ordinary share  | 7,675                   | -                       |
| Proceeds from term loan facility                                  | -                       | 6,179                   |
| Repayments from revolving credit facilities                       | (4,266)                 | (6,770)                 |
| Repayments of term loan facilities                                | (7,920)                 | (3,455)                 |
| Repayments of lease liabilities                                   | (3,680)                 | (6,552)                 |
| <b>Net cash (used in) financing activities</b>                    | <b>(11,933)</b>         | <b>(13,365)</b>         |
| Net change in cash and cash equivalents                           | (693)                   | 5,365                   |
| Cash and cash equivalents at beginning of financial year          | 9,871                   | 4,644                   |
| Effect of exchange rate changes on cash and cash equivalents      | (608)                   | (138)                   |
| <b>Cash and cash equivalents at end of the financial year</b>     | <b>8,570</b>            | <b>9,871</b>            |
| <b>Cash and cash equivalents comprise:</b>                        |                         |                         |
| Cash and cash equivalents as shown in the Condensed Balance Sheet | 16,888                  | 18,169                  |
| Less: Bank overdraft  | (8,318)                 | (8,298)                 |
|   | <b>8,570</b>            | <b>9,871</b>            |

**Notes to the interim condensed financial statements  
For the financial year ended 31 December 2022**

**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 activity of the Group is an integrated provider of multidisciplinary professional services. The Group is organised into business units based on its services and has two reportable operating segments, being (i) Advisory and transactional services; and (ii) Management, support services and licensing services.

**2. Basis of preparation**

The condensed interim financial statements for the financial year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim financial statements for the six months ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Ringgit Malaysia (RM) which is the Company’s functional currency, and all values are rounded to the nearest thousand (RM’000), unless otherwise indicated.

## 2.1 New and amended standards that are adopted

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 the current financial year. 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 Group did not have to make retrospective adjustments as a result of adopting those standards.

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.

### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2022 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. Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are as follows:

### *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.

#### *Impairment on trade and other receivables*

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 with consideration on the impact of post COVID-19 global economic recovery 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 categorises 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 agreed repayment plan, 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.

#### *Impairment of investments in subsidiaries*

The Company assesses at each balance sheet date whether there are any indicators of impairment of 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 discount rate, in order to determine the present value of those cash flows.

#### *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 space, 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;
- 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 projections and estimates are based on the current market conditions and could change significantly as a result of competitor actions.

### **3. Seasonal operations**

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial year.

### **4. Segment and revenue 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.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations 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.

The following table presents revenue by segment for the financial year ended 31 December 2022 (“FY2022”) and 31 December 2021 (“FY2021”), respectively:

|  | <b>FY2022</b><br><b>(RM’000)</b><br><b>(Unaudited)</b> | <b>FY2021</b><br><b>(RM’000)</b><br><b>(Audited)</b> |
|--|--|--|
| Advisory and Transactional Services (“ATS”)                            | 62,718   | 61,262   |
| Management and Support Services Business & Licensing Services (“MSSL”) | 2,227  | 7,770  |
| <b>Total</b>   | <b>64,945</b>  | <b>69,032</b>  |

### **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, joint venture company and associated companies. Non-current assets are shown by the geographical area in which the assets are located.

The following table presents revenue and non-current assets information based on the geographical location of customers and assets as at 31 December 2022 and 31 December 2021 respectively.

## Geographical information

|                    | Singapore<br>RM'000 | Malaysia<br>RM'000 | Thailand<br>RM'000 | Indonesia<br>RM'000 | China<br>RM'000 | Hong Kong<br>RM'000 | United<br>States of<br>America<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|--------------------|---------------------|--------------------|--------------------|---------------------|-----------------|---------------------|--|------------------|-----------------|
| <b>2022</b>        |                     |                    |                    |                     |                 |                     |  |                  |                 |
| 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          |
| <b>2021</b>        |                     |                    |                    |                     |                 |                     |  |                  |                 |
| External revenue   | 34,117              | 15,871             | 3,043              | 5,579               | 591             | 1,271               | 1,073                                    | 7,487            | 69,032          |
| Non-current assets | 35,453              | 10,473             | 143                | 475                 | -               | -                   | -  | 95               | 46,639          |

Decrease in revenue from Malaysia by RM8.9 million is mainly due to ZICO Knowledge Services Sdn Bhd (“ZIKS”) ceasing to provide support services to ZICOLaw network firms with effect from 1st Aug 2021. There was however increase of revenue in other jurisdictions, i.e. Hong Kong by RM1.3 million mainly due to expansion of consultancy revenue stream there.

| <b>Business Segment</b>                       | <b>Advisory and transactional services<br/>RM'000</b> | <b>Management and support services business &amp; licensing services<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---|---|---|-------------------------------|-------------------------|
| <b>FY2022</b>                                 |   |   |                               |                         |
| <b>Revenue</b>                                |   |   |                               |                         |
| External revenue                              | 62,718  | 2,227   | -                             | 64,945                  |
| Inter-segment revenue                         | 5,550   | 4,435   | (9,985)                       | -                       |
|   | <u>68,268</u>   | <u>6,662</u>  | <u>(9,985)</u>                | <u>64,945</u>           |
| <b>Results</b>                                |   |   |                               |                         |
| Segment profit                                | 5,769   | (3,746)   | -                             | 2,023                   |
| Gain on sale of business                      | -   | -   | -                             | -                       |
| Interest income                               | 319   | 1,941   | -                             | 2,260                   |
| Finance costs                                 | (895)   | (545)   | -                             | (1,440)                 |
|   | <u>5,193</u>  | <u>(2,350)</u>  | <u>-</u>                      | <u>2,843</u>            |
| Unallocated expenses                          |   |   |                               | (6,068)                 |
| Share of results of associates, net of tax    |   |   |                               | 36                      |
| Share of results of joint venture, net of tax |   |   |                               | <u>2,243</u>            |
| Loss before income tax                        |   |   |                               | (946)                   |
| Income tax credit                             |   |   |                               | <u>1,499</u>            |
| Profit for the financial year                 |   |   |                               | <u>553</u>              |

| <b>Business Segment</b>                          | <b>Advisory and<br/>transactional<br/>services<br/>RM'000</b> | <b>Management and<br/>support services<br/>business &amp; licensing<br/>services<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|-------------------------|
| <b>Non-cash items</b>                            |   |   |                         |
| Gain allowance on trade and other<br>receivables | (746)   | (326)   | (1,072)                 |
| Bad debts written off                            | 186   | (1)   | 185                     |
| Amortisation of intangible assets                | 590   | 910   | 1,500                   |
| Depreciation of plant and equipment              | 408   | 491   | 899                     |
| Depreciation of right-of-use assets              | 1,844   | 1,606   | 3,450                   |
| Plant and equipment written off                  | 6   | 117   | 123                     |
| Share-based payment expenses                     | -   | 97  | 97                      |
| Unrealised foreign exchange loss, net            | 94  | 815   | 909                     |
| <b>Unallocated non-cash item</b>                 |   |   |                         |
| Amortisation of intangible assets                | -   | -   | 518                     |
| Depreciation of plant and equipment              | -   | -   | 5                       |
| Depreciation of right-of-use assets              | -   | -   | 96                      |
| Share-based payment expenses                     | -   | -   | -                       |
| Unrealised foreign exchange gain, net            | -   | -   | (2,445)                 |
| <b>Capital expenditure</b>                       |   |   |                         |
| Plant and equipment                              | 1,247   | 229   | 1,476                   |
| Right-of-use assets                              | 5,370   | 3,010   | 8,380                   |
| Intangible assets                                | 61  | -   | 61                      |
| <b>As at 31 December 2022</b>                    |   |   |                         |
| <b>Assets and Liabilities</b>                    |   |   |                         |
| Segment assets                                   | 52,557  | 89,633  | 142,190                 |
| -Current income tax recoverable                  | -   | 251   | 251                     |
| -Deferred tax assets                             | 1,461   | 9,766   | 11,227                  |
|  | <u>54,018</u>   | <u>99,650</u>   | <u>153,668</u>          |
| Unallocated assets                               |   |   | <u>40,593</u>           |
|  |   |   | <u>194,261</u>          |
| Segment liabilities                              | 27,510  | 24,537  | 52,047                  |
| - Current income tax payable                     | 478   | 2,898   | 3,376                   |
| - Deferred tax liabilities                       | 72  | 694   | 766                     |
|  | <u>28,060</u>   | <u>28,129</u>   | <u>56,189</u>           |
| Unallocated liabilities                          |   |   | <u>24,071</u>           |
|  |   |   | <u>80,260</u>           |

| <b>Business Segment</b>                       | <b>Advisory and transactional services<br/>RM'000</b> | <b>Management and support services business &amp; licensing services<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---|---|---|-------------------------------|-------------------------|
| <b>FY2021</b>                                 |   |   |                               |                         |
| <b>Revenue</b>                                |   |   |                               |                         |
| External revenue                              | 61,262  | 7,770   | -                             | 69,032                  |
| Inter-segment revenue                         | 3,316   | 5,145   | (8,461)                       | -                       |
|   | <u>64,578</u>   | <u>12,915</u>   | <u>(8,461)</u>                | <u>69,032</u>           |
| <b>Results</b>                                |   |   |                               |                         |
| Segment profit/(loss)                         | 9,135   | (3,699)   | -                             | 5,436                   |
| Interest income                               | 178   | 1,407   | -                             | 1,585                   |
| Finance costs                                 | (554)   | (53)  | -                             | (607)                   |
| Gain on transfer of business and seats        | -   | 5,981   | -                             | 5,981                   |
|   | <u>8,759</u>  | <u>3,636</u>  | <u>-</u>                      | <u>12,395</u>           |
| Unallocated expenses                          |   |   |                               | (9,183)                 |
| Share of results of associates, net of tax    |   |   |                               | 48                      |
| Share of results of joint venture, net of tax |   |   |                               | <u>2,320</u>            |
| Profit before income tax                      |   |   |                               | 5,580                   |
| Income tax expenses                           |   |   |                               | <u>(3,592)</u>          |
| Profit for the financial year                 |   |   |                               | <u>1,988</u>            |

| <b>Business Segment</b>                          | <b>Advisory and<br/>transactional<br/>services<br/>RM'000</b> | <b>Management and<br/>support services<br/>business &amp; licensing<br/>services<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|-------------------------|
| <b>Non-cash items</b>                            |   |   |                         |
| Loss allowance on trade and other<br>receivables | 176   | 3,588   | 3,764                   |
| Bad debts written off                            | -   | -   | -                       |
| Amortisation of intangible assets                | 125   | 2,097   | 2,222                   |
| Depreciation of plant and equipment              | 1,090   | 1,112   | 2,202                   |
| Depreciation of right-of-use assets              | 2,062   | 2,808   | 4,870                   |
| Intangible assets written off                    | -   | -   | -                       |
| Share-based payment expenses                     | 10  | 20  | 30                      |
| Unrealised foreign exchange gain, net            | 8   | 333   | 341                     |
| <b>Unallocated non-cash item</b>                 |   |   |                         |
| Amortisation of intangible assets                | -   | -   | 497                     |
| Depreciation of plant and equipment              | -   | -   | 55                      |
| Depreciation of right-of-use assets              | -   | -   | 463                     |
| Gain on termination of leases                    | -   | -   | 973                     |
| Impairment loss on tangible assets               | -   | -   | 5                       |
| Share-based payment expenses                     | -   | -   | 26                      |
| Unrealised foreign exchange loss, net            | -   | -   | 1                       |
| <b>Capital expenditure</b>                       |   |   |                         |
| Plant and equipment                              | 37  | 317   | 354                     |
| Intangible assets                                | 17  | 39  | 56                      |
| Right-of-use assets                              | 514   | 2,351   | 2,865                   |
| <b>As at 31 December 2021</b>                    |   |   |                         |
| <b>Assets and Liabilities</b>                    |   |   |                         |
| Segment assets                                   | 44,815  | 81,980  | 126,795                 |
| -Current income tax recoverable                  | -   | 221   | 221                     |
| -Deferred tax assets                             | 1,298   | 7,250   | 8,548                   |
|  | <u>46,113</u>   | <u>89,451</u>   | <u>135,564</u>          |
| Unallocated assets                               |   |   | <u>41,312</u>           |
|  |   |   | <u>176,876</u>          |
| Segment liabilities                              | 21,045  | 15,647  | 36,692                  |
| - Current income tax payable                     | 1,133   | 3,374   | 4,507                   |
| - Deferred tax liabilities                       | 69  | 640   | 709                     |
|  | <u>22,247</u>   | <u>19,661</u>   | <u>41,908</u>           |
| Unallocated liabilities                          |   |   | <u>28,682</u>           |
|  |   |   | <u>70,590</u>           |

## 5. Significant items included in profit before taxation

Profit for the financial year is stated after charging/(crediting) the following:

|   | Group            |                  |
|---|------------------|------------------|
|   | Full Year Ended  |                  |
|   | 31 December 2022 | 31 December 2021 |
|   | (Unaudited)      | (Audited)        |
|   | RM'000           | RM'000           |
| <b><i>Other gains and (losses)</i></b>                                |                  |                  |
| Gain on termination of leases   | -                | 973              |
| Gain on transfer of business assets                                   | -                | 5,981            |
| Loss on disposal of investment  | (1,560)          | -                |
| Unrealised foreign exchange gain / (loss), net                        | 1,537            | (342)            |
| Realised foreign exchange loss, net                                   | (338)            | (86)             |
| <b><i>Amortisation and depreciation expenses</i></b>                  |                  |                  |
| Amortisation of intangible assets                                     | 2,018            | 2,719            |
| Amortisation of right-of-use assets                                   | 3,545            | 5,333            |
| Depreciation of plant and equipment                                   | 905              | 2,257            |
| <b><i>Employee benefits expense</i></b>                               |                  |                  |
| Share based payment expenses  | 97               | 56               |
| <b><i>Operating lease expenses</i></b>                                |                  |                  |
| Rental of premises  | 449              | 441              |
| Rental of accommodation   | -                | 11               |
| <b><i>Other income / (expenses)</i></b>                               |                  |                  |
| Gain on disposal of plant and equipment                               | 24               | -                |
| Plant and equipment written off                                       | (123)            | (10)             |
| <b><i>Income tax expenses / (credit), net</i></b>                     |                  |                  |
| (Over)/Under provision of income tax expense in respect of prior year | (241)            | 446              |

## 6. Significant related party transactions

In addition to the information disclosed elsewhere in these financial statements, the following related party transactions took place between the Group and related parties at terms agreed between the parties:

|   | <b>Group</b>                |                             |
|---|-----------------------------|-----------------------------|
|   | <b>Full Year ended</b>      |                             |
|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|   | <b>RM'000</b>               | <b>RM'000</b>               |
|   | <b>(Unaudited)</b>          | <b>(Audited)</b>            |
| <i>Transactions with associated companies</i>   |                             |                             |
| Corporate guarantee given for banking facilities<br>utilised by an associated company | (737)                       | (750)                       |
| Dividend income   | 75                          | 40                          |
| Interest income   | 790                         | 393                         |
| Advances to an associated company   | 1,556                       | 555                         |
| Loss allowance on non-trade receivables   | 653                         | 653                         |
| <i>Transactions with a joint venture company</i>                                      |                             |                             |
| Dividend income   | 3,945                       | 3,026                       |

## 7. Income tax (credit) / expense

|  | <b>Group</b>                |                             |
|--|-----------------------------|-----------------------------|
|  | <b>Full Year ended</b>      |                             |
|  | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|  | <b>RM'000</b>               | <b>RM'000</b>               |
|  | <b>(Unaudited)</b>          | <b>(Audited)</b>            |
| Tax expense attributable to profit / (loss) is made up of: |                             |                             |
| Current income tax   | 405                         | 2,818                       |
| Deferred income tax  | (2,252)                     | 161                         |
| Withholding tax  | 348                         | 613                         |
|  | (1,499)                     | 3,592                       |
|  | (1,499)                     | 3,592                       |

## 8. Dividends

No dividends have been declared or recommended for the current reporting year.

## 9. Earnings / (Loss) per share

|   | <b>Group</b>                |                             |
|---|-----------------------------|-----------------------------|
|   | <b>Full Year Ended</b>      |                             |
|   | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
| <b>Earnings / (Loss) per share ("EPS" and "LPS" respectively)</b>                           | <b>(Unaudited)</b>          | <b>(Audited)</b>            |
| (Loss) / Profit attributable to owners of the parent (RM'000)                               | (865)                       | 882                         |
| Weighted average number of ordinary shares in issue (in thousands)                          | 342,759 <sup>(1)</sup>      | 326,618 <sup>(2)</sup>      |
| Basic EPS / (LPS) (RM cents)  | (0.25)                      | 0.27                        |
| Weighted average number of ordinary shares in issue on a fully diluted basis (in thousands) | 345,917 <sup>(3)</sup>      | 329,568 <sup>(4)</sup>      |
| Fully diluted EPS / (LPS) (RM cents)  | (0.25)                      | 0.27                        |

**Notes:-**

- (1) Issuance of new 425,314 ordinary shares to employees pursuant to the new award under the ZICO Holdings Performance Shares Plan (“PSP”) on 4 March 2022, and subscription of 22,000,000 placement shares by Dynac Sdn Bhd on 21 April 2022.
- (2) Adjusted for 753,360 ordinary shares allotted and issued to employees pursuant to the vesting of share awards under the PSP on 21 May 2021 and issuance of new 337,055 ordinary shares pursuant to the New Award (new performance shares granted to employees) under the PSP on 21 May 2021.
- (3) Adjusted for 3,300,000 ordinary shares which may be allotted and issued to employees upon the exercise of 3.3 million outstanding Employees Shares Options [“ESOS”] as at 31 December 2022.
- (4) Adjusted for 3,500,000 ordinary shares which may be allotted and issued to employees upon the exercise of 3.5 million outstanding ESOS as at 31 December 2021.

**10. Net assets value**

| Net asset value (“NAV”)                           | Group                              |                                  | Company                            |                                  |
|---|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
|   | 31 December<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) | 31 December<br>2022<br>(Unaudited) | 31 December<br>2021<br>(Audited) |
| NAV (RM’000)                                      | 110,088                            | 105,183                          | 129,314                            | 119,227                          |
| Number of ordinary shares in issue (in thousands) | 349,462                            | 327,036                          | 349,462                            | 327,036                          |
| NAV per ordinary share (RM cents)                 | 31.50                              | 32.16                            | 37.00                              | 36.46                            |

## 11. Plant and equipment

During the financial year, the Group acquired assets amounting to RM1,476,000 (FY2021: RM354,000).

|                                  | <u>Motor vehicles</u> | <u>Computer hardware</u> | <u>Office equipment</u> | <u>Leasehold improvement</u> | <u>Total</u>  |
|----------------------------------|-----------------------|--------------------------|-------------------------|------------------------------|---------------|
|                                  | RM'000                | RM'000                   | RM'000                  | RM'000                       | RM'000        |
| <b>Group</b>                     |                       |                          |                         |                              |               |
| <b>2022</b>                      |                       |                          |                         |                              |               |
| <b>Cost</b>                      |                       |                          |                         |                              |               |
| Beginning of financial year      | 510                   | 3,707                    | 3,876                   | 5,384                        | 13,477        |
| Additions                        | –                     | 190                      | 279                     | 1,007                        | 1,476         |
| Disposals                        | (284)                 | (78)                     | (1,073)                 | (517)                        | (1,952)       |
| Write offs                       | –                     | (5)                      | (8)                     | (1,055)                      | (1,068)       |
| Reclassification                 | –                     | –                        | -                       | -                            | -             |
| Currency translation differences | 4                     | 50                       | 92                      | (10)                         | 136           |
| End of financial year            | <b>230</b>            | <b>3,864</b>             | <b>3,166</b>            | <b>4,809</b>                 | <b>12,069</b> |
| <b>Accumulated depreciation</b>  |                       |                          |                         |                              |               |
| Beginning of financial year      | 510                   | 3,551                    | 3,060                   | 4,344                        | 11,465        |
| Depreciation charge              | –                     | 174                      | 288                     | 442                          | 904           |
| Disposals                        | (284)                 | (81)                     | (878)                   | (490)                        | (1,733)       |
| Write offs                       | –                     | (4)                      | (7)                     | (934)                        | (945)         |
| Reclassification                 | –                     | –                        | –                       | -                            | -             |
| Currency translation differences | 4                     | (17)                     | (18)                    | (239)                        | (270)         |
| End of financial year            | <b>230</b>            | <b>3,623</b>             | <b>2,445</b>            | <b>3,123</b>                 | <b>9,421</b>  |
| <b>Net book value</b>            |                       |                          |                         |                              |               |
| End of financial year            | –                     | <b>241</b>               | <b>721</b>              | <b>1,687</b>                 | <b>2,648</b>  |

## 12. Intangible assets

|                                  | <u>Computer software</u> | <u>Goodwill</u> | <u>Trademark</u> | <u>Customer acquisition costs</u> | <u>Customer relationships</u> | <u>Total</u>  |
|----------------------------------|--------------------------|-----------------|------------------|-----------------------------------|-------------------------------|---------------|
|                                  | RM'000                   | RM'000          | RM'000           | RM'000                            | RM'000                        | RM'000        |
| <b>Group</b>                     |                          |                 |                  |                                   |                               |               |
| <b>2022</b>                      |                          |                 |                  |                                   |                               |               |
| <b>Cost</b>                      |                          |                 |                  |                                   |                               |               |
| Beginning of financial period    | 13,093                   | 22,858          | 2,000            | 3,838                             | 7,978                         | 49,767        |
| Additions                        | 61                       | –               | –                | –                                 | –                             | 61            |
| Disposals                        | –                        | –               | –                | –                                 | –                             | –             |
| Currency translation differences | 62                       | 1,047           | –                | 239                               | 497                           | 1,845         |
| End of financial year            | <b>13,216</b>            | <b>23,905</b>   | <b>2,000</b>     | <b>4,077</b>                      | <b>8,475</b>                  | <b>51,673</b> |
| <b>Accumulated amortisation</b>  |                          |                 |                  |                                   |                               |               |
| Beginning of financial period    | 11,808                   | –               | 630              | 3,240                             | 3,774                         | 19,452        |
| Amortisation                     | 926                      | –               | 50               | 463                               | 579                           | 2,018         |
| Disposals                        | –                        | –               | –                | –                                 | –                             | –             |
| Currency translation differences | 119                      | –               | –                | 216                               | 200                           | 535           |
| End of financial year            | <b>12,853</b>            | <b>–</b>        | <b>680</b>       | <b>3,919</b>                      | <b>4,553</b>                  | <b>22,005</b> |
| <b>Net book value</b>            |                          |                 |                  |                                   |                               |               |
| End of financial year            | <b>363</b>               | <b>23,905</b>   | <b>1,320</b>     | <b>158</b>                        | <b>3,922</b>                  | <b>29,668</b> |

The Group performed its annual impairment test in December 2022 and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the financial year ended 31 December 2021

### 13. Financial assets and financial liabilities

The following table sets out the financial instruments as at 31 December 2022 and 31 December 2021:

#### Financial Assets and Financial Liabilities

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 31             | 31             | 31             | 31             |
|   | December       | December       | December       | December       |
|   | 2022           | 2021           | 2022           | 2021           |
|   | RM'000         | RM'000         | RM'000         | RM'000         |
| <b>Financial assets</b>                           |                |                |                |                |
| Loans and receivables                             |                |                |                |                |
| - Trade and other receivables                     | 92,519         | 88,862         | 98,759         | 105,818        |
| - Cash and cash equivalents                       | 16,888         | 18,169         | 2,211          | 990            |
| - Other current assets                            | 19,572         | 3,068          | 15,597         | 6              |
| - Financial assets, at FVOCI                      | 886            | 3,950          | -              | -              |
|   | <u>129,865</u> | <u>114,049</u> | <u>116,567</u> | <u>106,814</u> |
| <b>Financial liabilities</b>                      |                |                |                |                |
| Other financial liabilities,<br>at amortised cost |                |                |                |                |
| - Trade and other payables                        | 21,569         | 14,708         | 782            | 2,786          |
| - Interest-bearing liabilities                    | 40,470         | 45,845         | 29,945         | 35,459         |
| - Lease liabilities                               | 9,884          | 2,083          | -              | 145            |
|   | <u>71,923</u>  | <u>62,636</u>  | <u>30,727</u>  | <u>38,390</u>  |

#### 14. Interest bearing liabilities

Aggregate amount of group's borrowings and debt securities are as follows:

Amount repayable in one year or less, or on demand

| As at 31 December 2022<br>(Unaudited) |                     | As at 31 December 2021<br>(Audited) |                     |
|---------------------------------------|---------------------|-------------------------------------|---------------------|
| Secured<br>RM'000                     | Unsecured<br>RM'000 | Secured<br>RM'000                   | Unsecured<br>RM'000 |
| 35,188                                | -                   | 37,863                              | -                   |

Amount repayable after one year

| As at 31 December 2022<br>(Unaudited) |                     | As at 31 December 2021<br>(Audited) |                     |
|---------------------------------------|---------------------|-------------------------------------|---------------------|
| Secured<br>RM'000                     | Unsecured<br>RM'000 | Secured<br>RM'000                   | Unsecured<br>RM'000 |
| 15,166                                | -                   | 10,065                              | -                   |

#### Details of any collateral

The secured borrowings comprised:

|                   | As at 31<br>December<br>2022<br>(Unaudited)<br>RM'000 | As at 31<br>December<br>2021<br>(Audited)<br>RM'000 | Secured by   |
|-------------------|---|---|--|
| Term loan         | 10,232  | 12,887  | Corporate guarantee for all moneys owing by certain subsidiaries |
| Revolving credit  | 21,920  | 24,660  | Corporate guarantee for all moneys owing by certain subsidiaries |
| Bank overdraft    | 8,318   | 8,298   | Corporate guarantee by a subsidiary                              |
| Lease liabilities | 9,884   | 2,083   | Secured over the rights and benefits to lease the office units   |
|                   | <u>50,354</u>   | <u>47,928</u>                                       |  |

## 15. Share Capital

### Share Capital – Ordinary Shares

|   | Number of issued shares | Issued and paid-up share capital (RM) |
|---|-------------------------|---------------------------------------|
| Balance as at 1 January 2022                | 327,036,477             | 95,314,466                            |
| Issue of new ordinary shares <sup>(1)</sup> | 22,425,314              | 7,771,786                             |
| <b>Balance as at 31 December 2022</b>       | <b>349,461,791</b>      | <b>103,086,252</b>                    |

Notes:-

- (1) Issuance of new 425,314 ordinary shares to employees pursuant to the new award under the PSP on 4 March 2022 and issue of 22,000,000 placement shares to Dynac Sdn Bhd on 21 April 2022.

Issued and paid-up capital increased by RM155K as compared to the previous reporting period on 30 June 2022 due to forex translation being carried out as at 31 December 2022.

There were 3,300,000 outstanding options (31 December 2021: 3,300,000 options) and all share awards granted have been vested under the PSP as at 31 December 2022 (31 December 2021: 3,300,000). There were no unvested PSP shares that had expired as at 31 December 2022.

Save for the above, the Company did not have any convertibles or treasury shares as at 31 December 2022 and 31 December 2021.

The Company did not have any subsidiary holdings as at 31 December 2022 and 31 December 2021.

## 16. Treasury shares

|                               | As at 31 December 2022 | As at 31 December 2021 |
|-------------------------------|------------------------|------------------------|
| Total number of issued shares | 349,461,791            | 327,036,477            |

The Company did not have any treasury shares as at 31 December 2022 and 31 December 2021.

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

There were no subsidiary holdings during and as at the end of the current financial year reported on.

## 17. Share-based reserve

|                       | <b>Group and Company</b>    |                             |
|-----------------------|-----------------------------|-----------------------------|
|                       | <b>31 December<br/>2022</b> | <b>31 December<br/>2021</b> |
|                       | <b>RM'000</b>               | <b>RM'000</b>               |
| Share options reserve | <b>556</b>                  | 556                         |
| Share awards reserve  | <b>1,550</b>                | 1,550                       |
|                       | <b>2,106</b>                | 2,106                       |

### *Share options – employee share option scheme*

During the financial year under review, the Company did not issue any options under the employee share option scheme.

As at 31 December 2022, there were 3,300,000 outstanding options under the employee share option scheme (31 December 2021: 3,500,000).

### *Performance share plan*

During the financial year under review, awards for 425,314 ordinary shares were granted pursuant to the ZICO Holdings Performance Share Plan on 4 March 2022. In the previous financial year under review, awards for 337,055 shares were granted pursuant to the ZICO Holdings Performance Share Plan on 21 May 2021.

## 18. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

## **Other Information Required by Appendix 7C of the Catalist Rules**

## **Other Information**

### **1. Review**

The interim condensed consolidated balance sheet of ZICO Holdings Inc and its subsidiaries as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the full financial year ended 31 December 2022 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

#### **1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable. The Company's latest audited financial statements (for the financial year ended 31 December 2021) are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

#### **2. 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 year 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 year reported on**

#### Condensed Consolidated Statement of Comprehensive Income

***Review for the performance of the Group for the 6 months ended 31 December 2022 ("2H2022") as compared to the 6 months ended 31 December 2021 ("2H2021") and the full year ended 31 December 2022 ("FY2022") as compared to the full year ended 31 December 2021 ("FY2021").***

## Revenue

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

|   | <b>2H2022</b>           | <b>2H2021</b>           | <b>%</b>      | <b>FY2022</b>           | <b>FY2021</b>           | <b>%</b>      |
|---|-------------------------|-------------------------|---------------|-------------------------|-------------------------|---------------|
|   | <b>(RM<br/>million)</b> | <b>(RM<br/>million)</b> | <b>change</b> | <b>(RM<br/>million)</b> | <b>(RM<br/>million)</b> | <b>change</b> |
| Advisory and Transactional Services (“ <b>ATS</b> ”)                            | 34.0                    | 28.6                    | 18.9          | 62.7                    | 60.8                    | 3.1           |
| Management and Support Services Business & Licensing Services (“ <b>MSSL</b> ”) | 1.2                     | 3.2                     | (62.5)        | 2.2                     | 8.2                     | (73.2)        |
| <b>Total</b>  | <b>35.2</b>             | <b>31.8</b>             | <b>10.7</b>   | <b>64.9</b>             | <b>69.0</b>             | <b>(5.9)</b>  |

The decrease in the Group's revenue was due to lower revenue from MSSL segments.

ATS revenue for FY2022 improved by 3.1% due to higher revenue contributions from consultancy division, assets management, trust advisory and corporate finance division totaling RM5.4 million in 2H2022.

The decrease in revenue from MSSL was mainly due to lower revenue contributions from support services under ZICO Knowledge Services Sdn Bhd (“**ZIKS**”) and royalty fees under ZICO Trademark Pte Ltd (“**ZTL**”). ZIKS has stopped providing support services to ZICOLaw network firms and there was downward revision in the royalty rates charged to ZICOLaw network firms with effect from 1<sup>st</sup> Aug 2021.

## Other items of income

### *Interest income*

Interest income decreased by RM151k in 2H2022 mainly due to higher repayment from ZICOLaw network firms during 2H2022 and increased by RM0.8 million in FY2022 mainly due to an increase in percentage of interest income derived from amount owing by ZICOLaw Network firms with outstanding balances of more than 1 year.

### *Other income*

Other income increased by RM1.4 million in 2H2022 mainly due to increase of disbursement recovery from ZICO Asset Management Pte Ltd (“**ZAM**”)

### *Other gains and (losses)*

Other losses increased by RM8.4 million in 2H2022 and RM7.0 million in FY2022 mainly due to a non-cash one-off loss on disposal of an investment in joint venture, Fragomen ZICO Inc (“Fragomen”) of RM1.6 million during 2H2022. In the previous financial year, there were other gains of RM6.5 million whereby the main contributor was a gain on transfer of business assets of RM6.0 million in 2H2021.

There was also net foreign exchange gain of RM1.2 million in FY2022 as compared to net foreign loss of RM0.4 million in FY2021 due to the fluctuation of foreign currency translation during FY2022.

### Items of expense

#### *Amortisation and depreciation expenses*

Amortisation and depreciation expenses reduced by RM2.8 million in 2H2022 and RM3.8 million in FY 2022 mainly due to changes in estimate on depreciation of renovation costs for entities located in Singapore due to the decision to shift the Singapore office location before the end of its useful lives. Depreciation charges were accelerated on renovation costs incurred on the old premises since 2H2021

#### *Employee benefits expense*

Employee benefits expense increased by RM3.4 million in 2H2022 and increase of RM2.4 million in FY2022 mainly due to variable compensation, i.e. advisors’ commissions and nominal inflationary increase.

#### *Operating lease expenses*

Operating lease expenses increased by RM1.6 million in 2H2022 and decreased by RM3,000 in FY2022 as a portion has been taken up as amortization of right of use asset.

#### *Retainer fees and consultancy fees*

Retainer fees and consultancy fees decreased by RM1.7 million in 2H2022 mainly due to lower consultancy fees incurred by ZICO Holdings Inc (“ZHI”), ZICOLaw Myanmar Limited and ZICOLaw Laos Sole Co. Ltd and overall reduction by RM0.7 million in FY2022 mainly due to lower consultancy fees incurred by ZHI.

#### *Loss allowance on trade and other receivables*

Reduction in loss allowances on trade and other receivables (ECL) by RM2.1 million in 2H2022 and RM4.7 million in FY2022 is due to reversal of allowance for doubtful debts provided as a result of a better collection trend for the Group due to recovery of the economies in countries that the Group operates in.

#### *Other expenses*

Other expenses increased by RM1.4 million in 2H2022 and RM2.0 million in FY2022 mainly due to amongst others, IT software maintenance, travelling expenses, insurance and compliance fee.

#### *Finance Costs*

Finance costs increased by RM1.0 million in 2H2022 and RM1.1 million in FY2022 as there was moratorium of finance costs granted by the bankers in lieu of the COVID-19 pandemic in FY2021.

#### *Share of associates results*

Share of associate results decreased by RM13,000 in 2H2022 and RM12,000 in FY2022 mainly due to disposal of an associate, Sunflower Villa Sdn Bhd.

#### *Share of joint venture results*

Share of joint venture results decreased by RM0.2 million in 2H2022 and RM0.1 million in FY2022 mainly due to disposal of a joint venture company, Fragomen in 2H2022.

#### Profit before income tax

Profit before income tax decreased by RM4.8 million in 2H2022 and RM6.5 million in FY2022 mainly due to lower revenue generated by the Group and higher expenses as indicated above.

#### Income tax expense

Income tax expense decreased by RM3.9 million in 2H2022 and RM5.1 million in FY2022 mainly due to higher deferred tax assets recognised for the unutilised tax losses of certain subsidiaries and lower provision of tax expenses for profit making subsidiaries in 2H2022 and FY2022.

There was overprovision of income tax expense in prior years of RM0.2 million in 2H2022 and FY2022 mainly due to the actual tax paid in FY2021 is lower than the tax estimated for FY2021.

#### Fair value losses on financial assets at OCI

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 Ringgit Malaysia against the United States Dollar and Singapore Dollar.

#### Profit for the financial year

Profit for the financial year was lower by RM0.9 million in 2H2022 and RM1.4 million in FY2022 mainly due to lower revenue generated and higher expenses incurred during FY2022.

#### Condensed Consolidated Statement of Financial Position

***The comparative performance for both the assets and liabilities are based on the financial statements as at 31 December 2022 and 31 December 2021.***

#### Non-current assets

Plant and equipment increased by RM636k mainly due to addition of assets arising from renovation works undertaken to facilitate a shift of our Singapore office to its new premises.

Right-of-use assets increased by RM7.4 million mainly due to the recognition of new leases under ZICO RMC Pte Ltd (“RMC”) and ZICO Capital Pte Ltd (“ZICAPSG”) and amortisation charge for right of use (“ROU”) during the current financial year.

Intangible assets decreased by RM647k mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2021, (ii) amortisation of the computer software and identifiable assets for the current financial year.

Investment in associates increased by RM759k mainly due to new investment in Platinum Trustee Berhad during the financial year.

Investment in a joint venture reduced by RM12.3 million mainly due to the disposal of investment in Fragomen.

Investments decreased by RM3 million mainly due to disposal of shares as well as the fair value adjustments of shares held by ZICAPSG.

Deferred tax assets increased by RM2.7 million mainly due to additional deferred tax

assets recognized for the unutilized tax losses of certain subsidiaries.

#### Current assets

Current trade and other receivables increased by RM7.8 million mainly due to the additional billings recognized during the current financial year.

Prepayments increased by RM2.3 million mainly due to a retainer arrangement and higher in prepayment for software maintenance by ZAM.

Current income tax recoverable increased by RM30k mainly due to the lower tax expense incurred for its Malaysia subsidiaries as compared to the actual tax installment paid to the Malaysia tax authorities.

Cash and cash equivalents decreased by RM1.3 million mainly due to cash being utilized in operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) increased by RM16.5 million mainly due to the increase in monies held in trust.

#### Non-current liabilities

The decrease in non-current interest-bearing liabilities by RM3.1 million was mainly due to repayment of term loan facilities.

Lease liabilities increased by RM8.2 million mainly due to the recognition of new lease liabilities under ZICO RMC and ZICAPSG.

The increase in provisions by RM12k was mainly due to the fluctuation of the foreign exchange rate which affected the provision of retirement benefits.

The increase in deferred tax liabilities (“DTL”) by RM57k was mainly due to fluctuation of exchange rate.

#### Current liabilities

Trade and other payables increased by RM6.8 million mainly due to increase in client money held in trust.

Current interest-bearing liabilities decreased by RM2.3 million mainly due to the repayments made for the term loans and revolving credit facilities.

Lease liabilities decreased by RM382k mainly due to the rental of office premises in Malaysia reaching the end of its leasing period.

Contract liabilities increased by RM1.4 million mainly due to higher contracts billed by ZICO Trust Limited and ZICO Trust (S) Pte Ltd and received consideration ahead of the provision of services.

The increase in provisions by RM1k was mainly due to the fluctuation of the foreign exchange rate which affected the provision of leave benefits. The decrease in current income tax payable by RM1.1 million was mainly due to lower in provision of tax.

#### Condensed Consolidated Statement of Cash Flow

The net cash generated from operating activities of RM12.3 million in FY2022 was mainly due to higher cash generated from operations of RM14.6 million offset by an increase in income tax paid of RM2.3 million. The net cash generated from operating activities of RM7.2 million in FY2021 was mainly due to an increase in profit before income tax of RM5.6 million coupled with higher operating cash flows before working capital changes of RM10.8 million and cash generated from operations of RM9.0 million.

Net cash used in investing activities of RM1.1 million in FY2022 was mainly due to placement of fixed deposits of RM15.6 million. Net cash generated from investing activities of RM11.5 million in FY2021 was mainly due to proceeds from disposal of business assets of RM6.5 million, dividend received from a joint venture company of RM4.5 million and proceeds from disposal of financial assets of RM1.4 million.

Net cash used in financing activities of RM11.9 million in FY2022 was mainly due to repayments of revolving credit facilities, term loan facilities and lease liabilities which was partially offset by proceeds from a placement exercise. Net cash used in financing activities of RM13.4 million in FY2021 was mainly due to repayments of revolving credit facilities, term loan facilities and lease liabilities which was partially offset by proceeds from term loans.

**3. 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.

**4. 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.**

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

## 5. 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 year 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 year.

- (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.

## 6. 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 FY2022 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

7. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to Note 4 of the condensed consolidated financial statement.

8. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

As disclosed in paragraphs 2 and 4 above.

9. **A breakdown of sales as follows:**

|   | Group                           |                               |                               |
|---|---------------------------------|-------------------------------|-------------------------------|
|   | FY2022<br>(Unaudited)<br>RM'000 | FY2021<br>(Audited)<br>RM'000 | Increase /<br>(Decrease)<br>% |
| (a) Sales reported for first half year  | 29,784                          | 37,171                        | (19.9)                        |
| (b) Profit / (Loss) after tax before deducting non-controlling interest reported for first half year  | 134                             | 623                           | (78.5)                        |
| (c) Sales reported for second half year   | 35,161                          | 31,861                        | 10.4                          |
| (d) Profit / (Loss) after tax before deducting non-controlling interest reported for second half year | 419                             | 1,365                         | (69.3)                        |

**10. 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 FY2022.

In FY2022, interested person transactions each of a value less than S\$100,000 comprised the following:

- (1) Interest charged on advances to the Company’s associated entity ShakeUp Online Sdn Bhd (“Shakeup”) for operational requirements. Each transaction is below S\$100,000. 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.

**11. 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.

**12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10).

### 13. Use of Proceeds

The Company refers to the net proceeds amounting to S\$2.4 million raised from the placement exercise announced on 3 March 2022, 14 March 2022, 21 March 2022, 25 March 2022 and 21 April 2022 and completed on 25 April 2022.

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 3 March 2022 is as follows:

| <b><u>Use of Placement net proceeds</u></b>    | <b><u>Amount<br/>allocated<br/>(S\$'000)</u></b> | <b><u>Amount<br/>utilised<br/>(S\$'000)</u></b> | <b><u>Balance<br/>(S\$'000)</u></b> |
|--|--|---|-------------------------------------|
| Working capital and general corporate purposes | 2,420  | 2,420 <sup>(1)</sup>                            | -                                   |
| <b>Total</b>                                   | <b>2,420</b>                                     | <b>2,420</b>                                    | <b>-</b>                            |

Note:-

(1) The amount of working capital was utilized for operational expenses.

### 14. Disclosure pursuant to Rule 706(A) of the Catalist Rules

#### **Disposal of an associate company**

During FY2022, ZICO Malaysia Sdn Bhd, a wholly-owned subsidiary of the Company, disposed its 50% equity interest in an associate company, Sunflower Villa Sdn Bhd ("Sunflower Villa"), at a cash consideration of RM1 to a third party.

The consideration was arrived on a willing-buyer willing-seller basis, taking into account that Sunflower Villa was utilized for general administration which is no longer required and therefore rendered the company inactive. The latest audited net asset value (as at 31 December 2021) represented by the 50% equity interest was RM10,127.00.

Following the completion of the disposal on 19 December 2022, Sunflower Villa ceased to be an associate of the Group.

#### **Capitalisation in a subsidiary company**

During FY2022, ZICO Capital International Inc., a wholly-owned subsidiary of the Company, has capitalized RM1.25 million debt to equity in ZICO Capital Sdn Bhd.

Following the capitalization on 21 December 2022, ZICO Capital International Inc increases its shareholding percentage in ZICO Capital Sdn Bhd from 94.2% to 96%, representing 2,440,000 ordinary shares to 3,690,000 ordinary shares.

Save for the above and previous announcements made by the Company, the Group did

not acquire or dispose shares in an entity which will result in that entity in becoming or ceasing to be, a subsidiary or associated company of the Group, or result in a change in the Group's shareholding percentage in a subsidiary or associated company during FY2022.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

1 March 2023

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*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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