

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR SIX MONTHS FINANCIAL PERIOD ENDED**  
**30 JUNE 2021**

**ZICO HOLDINGS INC. AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**For six months financial period ended 30 June 2021**

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**Interim condensed consolidated statement of comprehensive income**  
**For the six-month financial period ended 30 June 2021**

	Group		
	Six Months Ended		
	30 June 2021 (Unaudited) RM'000	30 June 2020 (Unaudited) RM'000	Change %
Revenue	37,171	32,850	13.2
<b>Other items of income</b>			
Interest income	161	96	67.7
Other income	2,906	3,969	(26.8)
	40,238	36,915	9.0
<b>Other gains and losses</b>			
Others	(1,005)	(929)	8.2
Loss allowance on trade and other receivables	(1,394)	(653)	113.5
	37,839	35,333	7.1
<b>Items of expense</b>			
Amortisation and depreciation expenses	(2,024)	(4,953)	(59.1)
Employee benefits expense	(26,312)	(24,631)	6.8
Operating lease expenses	(1,752)	(161)	988.2
Retainer fees and consultancy fees	(2,027)	(2,861)	(29.2)
Other expenses	(4,417)	(4,801)	(8.0)
Finance costs	(439)	(1,206)	(63.6)
	(36,971)	(38,613)	(4.3)
	868	(3,280)	(126.5)
Share of results of associates, net of tax	17	18	(5.6)
Share of results of joint venture, net of tax	1,378	2,754	(50.0)
<b>Profit/(Loss) before income tax</b>	2,263	(508)	545.5
Income tax (expenses)/credit	(1,640)	478	443.1
<b>Profit/(Loss) for the financial year</b>	623	(30)	2,176.7
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences	1,626	1,052	54.6
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value losses on financial assets, at FVOCI	(170)	(811)	79.0
Foreign currency translation differences	241	(16)	1,606.3
<b>Other comprehensive income for the financial year, net of tax</b>	1,697	225	654.2
<b>Total comprehensive income for the financial year</b>	2,320	195	1,089.7
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent	128	(173)	412.3
Non-controlling interests	495	143	246.2
	623	(30)	2,176.7
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	1,565	60	2,508.0
Non-controlling interests	755	135	459.3
	2,320	195	1,089.7

**Interim condensed balance sheets  
As at 30 June 2021**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2021 (Unaudited) RM'000</b>	<b>31 December 2020 (Audited) RM'000</b>	<b>30 June 2021 (Unaudited) RM'000</b>	<b>31 December 2020 (Audited) RM'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	3,477	3,893	49	55
Right-of-use assets	3,132	7,078	226	443
Intangible assets	32,113	33,126	807	1,040
Subsidiaries	-	-	39,912	39,102
Associates	16	39	2	2
Joint venture	12,880	13,014	9,504	9,336
Investments	4,731	2,312	-	-
Deferred income tax assets	9,364	9,384	-	-
Trade and other receivables	56,466	56,466	71,732	70,022
	<b>122,179</b>	<b>125,312</b>	<b>122,232</b>	<b>120,000</b>
<b>Current assets</b>				
Trade and other receivables	42,124	42,532	38,586	44,039
Prepayments	657	652	36	89
Current income tax recoverable	273	240	-	-
Cash and cash equivalents	18,630	13,125	215	290
Other current assets	2,988	3,414	6	5
	<b>64,672</b>	<b>59,963</b>	<b>38,843</b>	<b>44,423</b>
<b>Total assets</b>	<b>186,851</b>	<b>185,275</b>	<b>161,075</b>	<b>164,423</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	95,314	95,014	95,314	95,014
Retained earnings	9,425	9,297	8,909	10,084
Share based-reserve	2,070	2,350	2,070	2,350
Currency translation reserve	2,104	443	12,323	10,130
Capital reserve	(432)	(432)	-	-
Fair value reserve	(2,189)	(2,019)	-	-
<b>Equity attributable to owners of the parent</b>	<b>106,292</b>	<b>104,653</b>	<b>118,616</b>	<b>117,578</b>
Non-controlling interests	1,339	584	-	-
<b>Total equity</b>	<b>107,631</b>	<b>105,237</b>	<b>118,616</b>	<b>117,578</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	13,058	6,757	13,058	6,757
Lease liabilities	1,718	3,775	-	-
Provisions	334	230	-	-
Deferred income tax liabilities	1,356	1,365	-	-
	<b>16,466</b>	<b>12,127</b>	<b>13,058</b>	<b>6,757</b>
<b>Current liabilities</b>				
Trade and other payables	16,304	14,729	2,115	7,321
Interest-bearing liabilities	37,151	42,553	26,618	32,065
Lease liabilities	2,021	5,376	629	618
Contract liabilities	3,727	2,462	-	-
Provisions	20	20	-	-
Current income tax payable	3,531	2,771	39	84
	<b>62,754</b>	<b>67,911</b>	<b>29,401</b>	<b>40,088</b>
<b>Total liabilities</b>	<b>79,220</b>	<b>80,038</b>	<b>42,459</b>	<b>46,845</b>
<b>Total equity and liabilities</b>	<b>186,851</b>	<b>185,275</b>	<b>161,075</b>	<b>164,423</b>

**Interim condensed statements of changes in equity**  
**For the six-month financial period ended 30 June 2021**

**Group**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Fair value reserve</b>	<b>Capital reserve</b>	<b>Equity attributable to owners of the parent</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<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 period</b>	-	-	128	-	-	-	128	495	623
<b>Other comprehensive loss:</b>									
Fair value loss on financial assets, at FVOCI	-	-	-	-	(170)	-	(170)	19	(151)
Foreign currency translation differences	-	-	-	1,661	-	-	1,661	241	1,902
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	128	1,661	(170)	(432)	1,619	755	2,374
<b>Contributions by and distributions to owners of the parent</b>									
Exercise of share awards	300	(300)	-	-	-	-	-	-	-
Forfeiture of share awards	-	(72)	-	-	-	-	(72)	-	(72)
Grant of share awards	-	92	-	-	-	-	92	-	92
<b>Total transactions with owners of the parent</b>	300	(280)	-	-	-	-	20	-	20
Balance as at 30 June 2021	95,314	2,070	9,425	2,104	(2,189)	(432)	106,292	1,339	107,631

**Interim condensed statements of changes in equity**  
**For the six-month financial period ended 30 June 2021**

**Group**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Fair value reserve</b>	<b>Equity attributable to owners of the parent</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2020	94,328	2,882	16,703	376	(2,018)	112,271	(1,618)	110,653
<b>Profit for the financial period</b>	-	-	(173)	-	-	(173)	143	(30)
<b>Other comprehensive loss:</b>								
Fair value loss on financial assets	-	-	-	-	(819)	(819)	8	(811)
Foreign currency translation differences	-	-	-	1,052	-	1,052	(16)	1,036
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	(173)	1,052	(819)	60	135	195
<b>Contributions by and distributions to owners of the parent</b>								
Issuance of ordinary shares	84	-	-	-	-	84	-	84
Exercise of share awards	602	(602)	-	-	-	-	-	-
Forfeited share awards	-	(393)	-	-	-	(393)	-	(393)
Grant of share awards	-	204	-	-	-	204	-	204
<b>Total transactions with owners of the parent</b>	686	(791)	-	-	-	(105)	-	(105)
<b>Transactions with non-controlling interests</b>								
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	95,014	2,091	16,530	1,428	(2,837)	112,226	(1,483)	110,743

**Interim condensed statements of changes in equity**  
**For the six-month financial period ended 30 June 2021**

**Company**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2021	95,014	2,350	10,084	10,130	117,578
<b>Loss for the financial period</b>	-	-	(1,175)	-	(1,175)
<b>Other comprehensive loss:</b> Foreign currency translation differences	-	-	-	2,193	2,193
<b>Total comprehensive income for the financial period</b>	-	-	(1,175)	2,193	1,018
<b>Contributions by and distributions to owners of the parent</b>					
Issuance of ordinary shares	-	-	-	-	-
Exercise of share awards	300	(300)	-	-	-
Forfeited share awards	-	(72)	-	-	(72)
Grant of share awards	-	92	-	-	92
<b>Total transactions with owners of the parent</b>	300	(280)	-	-	20
Balance as at 30 June 2021	95,314	2,070	8,909	12,323	118,616

**Interim condensed statements of changes in equity**  
**For the six-month financial period ended 30 June 2021**

**Company**

<b>(Unaudited)</b>	<b>Share capital</b>	<b>Share-based reserve</b>	<b>Retained earnings</b>	<b>Currency translation reserve</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 January 2020	94,328	2,882	15,528	10,112	122,850
<b>Profit for the financial period</b>	-	-	(1,645)	-	(1,645)
<b>Other comprehensive loss:</b> Foreign currency translation differences	-	-	-	1,385	1,385
<b>Total comprehensive income / (loss) for the financial period</b>	-	-	(1,645)	1,385	260
<b>Contributions by and distributions to owners of the parent</b>					
Issuance of ordinary shares	84	-	-	-	84
Exercise of share awards	602	(602)	-	-	-
Forfeited share awards	-	(393)	-	-	(393)
Grant of share awards	-	204	-	-	204
<b>Total transactions with owners of the parent</b>	686	(791)	-	-	(105)
Balance as at 30 June 2020	95,014	2,091	13,883	11,497	122,485



**Interim condensed consolidated cash flow statement**  
**For the six-month financial period ended 30 June 2021**

	<b>Six Months Ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Operating activities</b>		
Profit/(Loss) before income tax	2,263	(508)
Adjustments for:		
Loss allowance on trade and other receivables	1,394	653
Amortisation of intangible assets	1,398	1,505
Bad debts written off	55	528
Depreciation of plant and equipment	583	645
Depreciation of right-of-use	43	2,803
Interest income	(161)	(96)
Interest expense	439	1,206
Loss on disposal of asset for sales	683	-
Loss on disposal of plant and equipment	10	18
Plant and equipment written off	-	1
Share of results of associates, net of tax	(17)	(18)
Share of results of joint venture, net of tax	(1,378)	(2,754)
Unrealised foreign exchange loss, net	262	285
Share based payment expenses	23	(110)
<b>Operating cash flows before working capital changes</b>	<b>5,597</b>	<b>4,158</b>
<b>Working capital changes:</b>		
Trade and other receivables	2,224	(5,298)
Prepayments	(6)	(182)
Trade and other payables	(2,431)	490
Cash generated from operations	5,384	(832)
Income tax paid	(461)	(362)
<b>Net cash generated from / (used in) operating activities</b>	<b>4,923</b>	<b>(1,194)</b>

**Interim condensed consolidated cash flow statement**  
**For the six-month financial period ended 30 June 2021**

	<b>Six Months Ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Investing activities</b>		
(Advances) to/ Repayment from associates	(505)	(584)
Interest received	161	96
Dividend received	1,553	-
Proceeds from disposal of financial asset, FVOCI	583	-
Proceeds from disposal of plant and equipment	-	75
Purchase of plant and equipment	(83)	(74)
Purchase of intangible assets	(38)	-
<b>Net cash generated from / (used in) investing activities</b>	<b>1,671</b>	<b>(487)</b>
<b>Financing activities</b>		
Interest paid	(439)	(822)
Issuance of ordinary shares	-	84
Proceeds from term loan facility	6,180	-
Repayments of finance lease facility	-	(2)
Repayments from revolving credit facilities	(3,646)	(2,012)
Repayments of term loan facilities	(1,443)	-
Repayments of lease liabilities	(1,348)	(3,120)
<b>Net cash used in financing activities</b>	<b>(696)</b>	<b>(5,872)</b>
Net change in cash and cash equivalents	5,898	(7,553)
Cash and cash equivalents at beginning of financial year	4,644	10,950
Effect of exchange rate changes on cash and cash equivalents	(202)	132
<b>Cash and cash equivalents at end of the financial year</b>	<b>10,340</b>	<b>3,265</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and cash equivalents as shown in the Consolidated Statement of Financial Position	18,630	11,656
Less: Bank overdraft	(8,290)	(8,391)
	<b>10,340</b>	<b>3,265</b>

**Notes to the interim condensed financial statements  
For the six-month financial period ended 30 June 2021**

**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 8 Robinson Road, #03-00 ASO Building, Singapore 048544.

The principal activities 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 preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. 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 annual financial statements for the year ended 31 December 2020.

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

The condensed interim 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 adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**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 year ended 31 December 2020.

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 follow:

#### *Estimated impairment of goodwill*

Management performs an annual impairment assessment of goodwill. Valuation model based on discounted cash flow analysis of the cash-generating unit ("CGU") is used by management to determine the value in use ("VIU") for the purposes of the impairment assessment.

Significant judgements are used to estimate the revenue growth rates, pre-tax weighted average cost of capital and terminal growth rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance and its expectations of the future business developments in Singapore, Malaysia, Thailand, Laos PDR and Myanmar. Details of the impairment assessment, the implications of the COVID-19 pandemic on the assumptions, sensitivity analysis and the carrying value of the Group's goodwill are disclosed and further explained in Note 15 to the financial statements.

#### *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 COVID-19 pandemic 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.

The Group determined the ECL of trade receivables and contract assets by segregating amounts due from ZICOLaw network firms which has engaged in a repayment plan with the Group and using a provision matrix for the remaining trade receivables and contract assets. The Group categorises these trade receivables and contract assets based on shared credit risk characteristics and days past due. The Group estimates the ECL rates for each category of past due status of the debtors based on historical credit loss experience, adjusted as appropriate to reflect COVID-19 impact considerations and forecasts of future economic conditions.

For trade receivables from ZICOLaw network firms, a revised repayment plan had been negotiated and the repayment period had been extended to be over five years to 2025 from 2024. In assessing the ECL, the Group applied the simplified approach and determined the lifetime ECL, taking into consideration the historical payment trend, the revised repayment plan, the creditworthiness of ZICOLaw network firms and their ability to repay and forecasts of future economic conditions with consideration of the impact of COVID-19 pandemic.

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

#### *Impairment of investments in subsidiaries*

The Company assesses at each balance sheet date whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and 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 projection and estimates are based on the current market condition and could change significantly as a result of competitor actions.

### **3. Seasonal operations**

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

### **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 operation before tax expense not including non-recurring gains and losses.

There is no change from prior years in the measurement methods used to determine reported segment profit or loss.

Sales between segments are carried out at market terms. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the statement of comprehensive income.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following table presents revenue by segment for the six months ended 30 June 2021 ("1H2021") and 30 June 2020 ("1H2020"), respectively:

	<b>1H2021 (RM'000)</b>	<b>1H2020 (RM'000)</b>
Advisory and Transactional Services (" <b>ATS</b> ")	32,188	27,140
Management and Support Services Business & Licensing Services ( (" <b>MSSL</b> ")	4,983	5,710
<b>Total</b>	<b>37,171</b>	<b>32,850</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 and associated companies. Non-current assets are shown by the geographical area in which the assets are located.

Revenue is based on the country in which the customer is located. Non-current assets comprise primarily plant and equipment, right-of-use assets, intangible assets, associated companies and joint venture. Non-current assets are shown by the geographical area in which the assets are located.

The following table presents revenue and non-current assets information based on the geographical location of customers and assets as at 30 June 2021 and 30 June 2020 respectively.



## Geographical information

	Singapore RM'000	Malaysia RM'000	Thailand RM'000	Indonesia RM'000	China RM'000	Hong Kong RM'000	United States of America RM'000	Others RM'000	Total RM'000
<b>1H2021</b>									
External revenue	<b>22,002</b>	<b>5,375</b>	<b>2,080</b>	<b>2,811</b>	<b>314</b>	<b>668</b>	<b>436</b>	<b>3,485</b>	<b>37,171</b>
Non-current assets	<b>40,102</b>	<b>10,550</b>	<b>197</b>	<b>593</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>176</b>	<b>51,618</b>
<b>1H2020</b>									
External revenue	6,282	15,149	1,640	3,488	577	658	465	4,590	32,850
Non-current assets	45,564	20,555	305	648	–	–	–	212	67,284

## 5. Significant items included in profit before taxation

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

	Group 6 months Ended	
	30 June 2021 (Unaudited) RM'000	30 June 2020 (Unaudited) RM'000
<b><i>Other losses</i></b>		
Bad debts written off	55	528
Loss on disposal of Available for sale investments	683	-
Unrealised foreign exchange loss, net	262	285
Realised foreign exchange loss, net	5	116
<b><i>Amortisation and depreciation expenses</i></b>		
Amortisation of intangible assets	1,398	1,505
Depreciation of right-of-use assets	43	2,803
Depreciation of plant and equipment	583	645
<b><i>Employee benefits expense</i></b>		
Share based payment expenses	23	(110)
<b><i>Operating lease expenses</i></b>		
Rental of premises	598	84
Rental of accommodation	12	77
<b><i>Other expenses</i></b>		
Loss on disposal of plant and equipment	10	18
Plant & equipment written off	-	1
<b><i>Income tax (expenses) /credit, net</i></b>		
Under provision of income tax expense in respect of prior year	-	4

## 6. Significant related party transactions

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

	<u>Group</u>	
	6 months ended	
	30 June 2021	30 June 2020
	RM'000	RM'000
	(Unaudited)	(Unaudited)
<i>Transactions with associated companies</i>		
Corporate guarantee given for banking facilities		
utilised by an associated company	(776)	(829)
Dividend income	40	-
Advances to an associated company	505	584
<i>Transactions with joint venture</i>		
Dividend income	1,513	-

## 7. Income tax (expense) / credit

	<u>Group</u>	
	6 months ended	
	30 June 2021	30 June 2020
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Tax expense attributable to profit / (loss) is made up of:		
Current income tax	(1,118)	(431)
Deferred income tax	(148)	1,306
Withholding tax	(374)	(397)
	(1,640)	478

## 8. Dividends

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

## 9. Earnings / (Loss) per share

Earnings per share ("EPS")	Group	
	Six Months Ended	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Profit / (Loss) attributable to owners of the parent (RM'000)	128	(173)
Weighted average number of ordinary shares in issue (in thousands)	326,193 <sup>(1)</sup>	324,716 <sup>(2)</sup>
Basic EPS (RM cents)	0.04	(0.05)
Weighted average number of ordinary shares in issue on fully diluted basis (in thousands)	329,274 <sup>(3)</sup>	327,869 <sup>(4)</sup>
Fully diluted EPS (RM cents)	0.04	(0.05)

Note:-

- (1) Adjusted for 753,360 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP and issuance of new 337,055 shares pursuant to the New Award under the PSP on 21 May 2021.
- (2) Adjusted for 1,695,320 ordinary shares allotted and issued pursuant to the vesting of share awards under the PSP.
  - 675,020 shares on 21 April 2020
  - 1,020,300 shares on 26 May 2020and; the issuance of new 226,981 shares pursuant to the New Award under the PSP on 26 May 2020.
- (3) Adjusted for 3,500,000 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options as at 30 June 2021.
- (4) Adjusted for 4,269,362 ordinary shares which may be allotted and issued upon the exercise of 3.5 million outstanding options and vesting of 769,362 outstanding share awards as at 30 June 2020.

## 10. Net assets value

Net asset value ("NAV")	Group		Company	
	30 June 2021 (Unaudited)	31 December 2020 (Audited)	30 June 2021 (Unaudited)	31 December 2020 (Audited)
NAV (RM'000)	106,292	104,653	118,616	117,578
Number of ordinary shares in issue (in thousands)	327,036	325,946	327,036	325,946
NAV per ordinary share (RM cents)	32.50	32.11	36.27	36.07

## 11. Plant and equipment

During the financial period, the Group acquired assets amounting to RM83,000 (30.6.2020: Nil).

	<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>2021</b>					
<b>Cost</b>					
Beginning of financial period	508	3,460	3,266	5,139	12,373
Additions	–	62	3	18	83
Disposals	–	(26)	(24)	–	(50)
Currency translation differences	2	1	55	30	88
End of financial period	<b>510</b>	<b>3,497</b>	<b>3,300</b>	<b>5,187</b>	<b>12,494</b>
<b>Accumulated depreciation</b>					
Beginning of financial period	508	3,099	2,297	2,576	8,480
Depreciation charge	–	130	198	255	583
Disposals	–	(26)	(14)	–	(40)
Currency translation differences	2	(58)	30	20	(6)
End of financial period	<b>510</b>	<b>3,145</b>	<b>2,511</b>	<b>2,851</b>	<b>9,017</b>
<b>Net book value</b>					
End of financial period	–	<b>352</b>	<b>789</b>	<b>2,336</b>	<b>3,477</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>2021</b>						
<b>Cost</b>						
Beginning of financial period	14,031	22,567	2,000	3,772	7,840	50,210
Additions	38	—	—	—	—	38
Currency translation differences	7	296	—	67	140	510
End of financial period	<b>14,076</b>	<b>22,863</b>	<b>2,000</b>	<b>3,839</b>	<b>7,980</b>	<b>50,758</b>
<b>Accumulated amortisation</b>						
Beginning of financial period	10,601	—	580	2,743	3,160	17,084
Amortisation	795	—	75	249	279	1,398
Currency translation differences	106	—	(50)	50	57	163
End of financial period	<b>11,502</b>	<b>—</b>	<b>605</b>	<b>3,042</b>	<b>3,496</b>	<b>18,645</b>
<b>Net book value</b>						
End of financial period	<b>2,574</b>	<b>22,863</b>	<b>1,395</b>	<b>797</b>	<b>4,484</b>	<b>32,113</b>

The Group performed its annual impairment test in December 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 2020.

### 13. Financial assets and financial liabilities

The following table sets out the financial instruments as at 30 June 2021 and 31 December 2020:

#### Financial Assets and Financial Liabilities

	Group		Company	
	30 June 2021 RM'000	31 Dec 2020 RM'000	30 June 2021 RM'000	31 Dec 2020 RM'000
<b>Financial assets</b>				
Loans and receivables				
- Trade and other receivables <sup>(1)</sup>	87,131	90,707	110,318	114,061
- Cash and cash equivalents	18,630	13,125	215	290
- Other current assets	2,988	3,414	6	5
- Financial assets, at FVOCI	4,700	2,282	-	-
	<u>113,449</u>	<u>109,528</u>	<u>110,539</u>	<u>114,356</u>
<b>Financial liabilities</b>				
Other financial liabilities, at amortised cost				
- Trade and other payables	16,304	14,729	2,115	7,321
- Interest-bearing liabilities	50,209	49,310	39,676	38,822
- Lease liabilities	3,739	9,151	629	618
	<u>70,252</u>	<u>72,722</u>	<u>42,420</u>	<u>46,761</u>

Note:

(1) Trade and other receivables consist of current trade receivables, current non-trade receivables, deposits, non-current trade receivables and non-current non-trade receivables.

#### 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 30 June 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
39,172	-	47,929	-

Amount repayable after one year

As at 30 June 2021 (Unaudited)		As at 31 December 2020 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
14,776	-	10,532	-

#### Details of any collateral

The secured borrowings comprised:

	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)	Secured by
Term loan	RM'000 14,724	RM'000 9,988	1) Letter of undertaking by a director; and 2) Assignment of dividends due to the Company by a subsidiary 3) Corporate guarantee by certain subsidiaries
Revolving credit	27,195	30,841	Corporate guarantee for all moneys owing by certain subsidiaries
Bank overdraft	8,290	8,481	Corporate guarantee by a subsidiary
Lease liabilities	3,739	9,151	Secured over the rights and benefits to lease the office units
	<u>53,948</u>	<u>58,461</u>	



## 15. Share Capital

### Shares Capital – Ordinary Shares

	Number of issued shares	Issued and paid-up share capital (RM)
Balance as at 1 January 2021	325,946,062	95,014,322
Issue of new ordinary shares <sup>(1)</sup>	1,090,415	300,144
<b>Balance as at 30 June 2021</b>	<b>327,036,477</b>	<b>95,314,466</b>

Notes:-

- (1) The issuance of new shares is in relation to the vesting of 753,360 share awards and 337,055 new shares pursuant to the New Awards on 21 May 2021 under the ZICO Holdings Performance Share Plan ("PSP").

There were 3,500,000 outstanding options (30 June 2020: 3,500,000 options) and all share awards granted are vested under the PSP as at 30 June 2021 (30 June 2020: shares awards granted and unvested under the PSP was 760,028). There were 6,668 unvested PSP shares that had expired as at 30 June 2021.

Save for the above, the Company did not have any convertibles or treasury shares as at 30 June 2021 and 30 June 2020.

The Company did not have any subsidiary holdings as at 30 June 2021 and 30 June 2020.

## 16. Treasury shares

	As at 30 June 2021	As at 31 December 2020
Total number of issued shares	327,036,477	325,946,062

The Company did not have any treasury shares as at 30 June 2021 and 31 December 2020.

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

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

## 17. Share-based reserve

	<b>Group and Company</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Share options reserve	<b>556</b>	556
Share awards reserve	<b>1,514</b>	1,794
	<b>2,070</b>	2,350

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

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

As at 30 June 2021, there were 3,500,000 outstanding options under the employee share option scheme (30 June 2020: 3,500,000).

### *Performance share plan*

During the financial period under review, awards for 337,055 shares were granted pursuant to the ZICO Holdings Performance Share Plan on 21 May 2021.

In the previous financial period under review, awards for 226,981 shares were granted pursuant to the ZICO Holdings Performance Share Plan on 26 May 2020.

## 18. Subsequent events

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

On 27<sup>th</sup> July 2021, the board of directors (“**Board**”) of ZICO Holdings Inc. (“**Company**”, and together with its subsidiaries and associated companies, the “**Group**”) announced the following proposed disposals (“**disposal announcement**”):

- a) that ZICO Knowledge Services Sdn Bhd (a wholly-owned subsidiary of the Company) (“**ZKS**”) has on 27 July 2021 entered into a business transfer agreement (“**ZKS Transfer Agreement**”) with Rentas Mesra Sdn Bhd. (“**Purchaser**”). Pursuant to the ZKS Transfer Agreement, ZKS has agreed to sell to the Purchaser, and the Purchaser has agreed to acquire from ZKS, the ZKS Business Assets (as defined in paragraph 2.2 of the disposal announcement) relating to the ZL Support Business (as defined in paragraph 2.1 of the disposal announcement) on the terms and conditions of the ZKS Transfer Agreement (“**ZKS Transfer**”); and

b) that ZICO RMC Pte Ltd (another wholly-owned subsidiary of the Company) (“**ZICO RMC**”) has on 27 July 2021 entered into another business transfer agreement (“**ZRMC Transfer Agreement**”) with the Purchaser. Pursuant to the ZRMC Transfer Agreement, ZICO RMC has agreed to sell to the Purchaser, and the Purchaser has agreed to acquire from ZICO RMC, the ZRMC Business Assets (as defined in paragraph 3.2 of the disposal announcement) in relation to the ZL Regional Management Business (as defined in paragraph 3.1 of the disposal announcement) on the terms and conditions of the ZRMC Agreement (“**ZRMC Transfer**”).

c) The considerations for the Proposed Disposals are:

<b>Transaction</b>	<b>Consideration (RM)</b>
ZKS Asset Transfer	4,387,470
ZRMC Asset Transfer	2,140,542
Total consideration	6,528,012

The financial effects of the above transactions have not been included in this interim condensed financial statement for the financial period ended 30 June 2021.

As at the date of the announcement, [the disposals are still pending completion].

## **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 30 June 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended 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.

**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 period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Interim Condensed Consolidated Statement of Comprehensive Income

***Review for the performance of the Group for the six months ended 30 June 2021 ("1H2021") as compared to the six months ended 30 June 2020 ("1H2020").***

Revenue

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

	<b>1H2021 (RM million)</b>	<b>1H2020 (RM million)</b>	<b>% change</b>
Advisory and Transactional Services ("ATS")	32.2	27.1	18.8
Management and Support Services Business & Licensing Services ( "MSSL")	5.0	5.8	(13.8)
<b>Total</b>	<b>37.2</b>	<b>32.9</b>	<b>13.1</b>

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

Higher revenue from ATS was due to the additional revenue contributions from corporate finance under ZICO Capital Pte. Ltd. ("ZICAPSG") of RM5.8 mil, and additional revenue contributions from ZICO Asset Management Pte Ltd ("ZAM") of RM1.2 mil due to expansion in client base. This increase is partially set off with the lower revenue contributions from the investor and consultancy divisions of RM1.2 million.

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

#### Other items of income

##### *Interest income*

The interest income increased by RM65k mainly due to interest income derived from amount owing by associate, Shakeup Online Sdn Bhd ("Shakeup") in 1H2021.

##### *Other income*

Other income decreased by RM1.0 million mainly to higher wages subsidies of RM1mil received from Singapore and Malaysia Government in 1H2020.

#### Items of expense

##### *Amortisation and depreciation expenses*

Amortisation and depreciation expenses decreased by RM2.9 million mainly due to amortisation of right-of-use assets that has been reclassified to set off office rental income for PT ZICO. Also, the rental of certain office premises are reaching the end of its leasing period and subsidiary entities located in Malaysia are still in the midst the tenancy renewal process.

##### *Employee benefits expense*

Employee benefits expense increased by RM1.7 million mainly due to the additional headcount incurred by ZAM for business expansion as well as additional variable incentives incurred for the internal advisors/employees of ZAM in tandem with its revenue increase.

##### *Operating lease expenses*

Operating lease expenses increased by RM1.6 million as the IFRS16 impact is not applicable in 1H2021 for tenancies that are reaching its end tenure and still undergoing the renewal process.

#### *Retainer fees and consultancy fees*

Retainer fees and consultancy fees had reduced by RM0.8 million mainly due to lower consultancy fees incurred by ZICOInsource Sdn Bhd, ZICO Asset Management Pte Ltd and ZICO Holdings Inc.

#### *Other losses*

Other losses increased by RM76K mainly due to loss on disposal of available for sale investment in 1H2021.

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

The loss on allowance on trade and other receivables is higher by RM0.7 million due to additional allowance for doubtful debts provided during the financial year under review.

#### *Other expenses*

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

#### *Finance Costs*

Finance costs decreased by RM0.8 million mainly due to lower revolving credit and overdraft interest incurred resultant of a reduction in bank borrowings by RM4.6 million. Also, IFRS16 impact is not taken up in 1H2021 for tenancies that are reaching its end tenure and still undergoing the renewal process.

#### *Share of associates results*

Share of associate results decreased by RM1k mainly due to lower income generated by the associate.

#### *Share of joint venture results*

Share of joint venture results is lower by RM1.4 million due to lower income generated by a joint venture company.

#### Profit before income tax

Profit before income tax was higher by RM2.8 million mainly due to higher revenue generated by the Group and lower expenses as indicated above.

#### Income tax credit

Income tax expense increased by RM2.1 million in 1H2021 mainly due to lower deferred tax assets recognized for the unutilised tax losses of the subsidiaries and higher provision of tax expenses due to profit making subsidiaries entities as at 1H2021.





#### 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 foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia.

#### Profit for the financial year

Profit for the financial period was higher by RM0.7 million mainly due higher revenue generated and lower expenses incurred for 1H2021.

#### Interim Condensed Consolidated Statement of Financial Position

***The comparative performance for both the assets and liabilities are based on the financial statements as at 30 June 2021 and 31 December 2020.***

#### Non-current assets

Plant and equipment decreased by RM0.4 million mainly due to (i) depreciation charge for the current financial period and (ii) translation of plant and equipment at different closing rate as compared to 31 December 2020.

Right-of-use assets decreased by RM3.9 million mainly due to the amortization charge for the current financial period. Also, the rental of certain office premises are reaching the end of its leasing period and subsidiary entities located in Malaysia are still in the midst of the tenancy renewal process.

Intangible assets decreased by RM1.0 million mainly due to (i) translation of goodwill and identifiable assets arising from the acquisition of B.A.C.S., as well as the corporate secretarial portfolio under ZICO-Stamford Corporate Services Pte. Ltd. at a different closing rate as compared to 31 December 2020, (ii) amortisation of the computer software and identifiable assets for the current financial period.

Investment in associates decreased by RM23k mainly due to the share of associated entity's profit offset by the dividend income received in 1H2021.

Investment in a joint venture reduced by RM134K mainly due to the share of joint venture's profit recognized during the current financial period ended 30 June 2021 of RM1.4 million offset by dividend income received of RM1.5 million in 1H2021.

Investments increased by RM2.4 million mainly due to new investment by ZICAPSG as well as the fair value adjustments of shares held by ZICAPSG.

Deferred tax assets decreased by RM20k mainly due to reversal of deferred tax assets for the profit making subsidiaries.

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

### Current assets

Current trade and other receivables decreased by RM0.4 million mainly due to repayment from clients during the current financial year.

Prepayments increased by RM5k mainly due to prepayment of license fees.

Current income tax recoverable increased by RM33k mainly due to the lower tax expense incurred for its Malaysia subsidiaries as compared to the actual tax installment paid to the Malaysia tax authorities.

Cash and cash equivalents increased by RM5.5 million mainly due to collection from clients as at 30 June 2021 and offset with the cash being utilised for operations.

Other current assets (comprising clients' monies held in trust and fixed deposit with maturity of more than 90 days) decreased by RM0.4 million mainly due to the disbursement of monies held in trust for clients during financial period ended 30 June 2021.

### Non-current liabilities

The increase in non-current interest-bearing liabilities by RM6.3 million was mainly due to the additional drawdown of term loan facility.

Lease liabilities decreased by RM2.1 million mainly due to the rental of certain office premises are reaching the end of its leasing period and subsidiary entities located in Malaysia are still in the midst the tenancy renewal process.

The increase in the provisions due to fluctuation of the foreign exchange rate as compared to 30 June 2021.

The decrease in deferred tax liabilities ("DTL") by RM10k was mainly due to the fluctuation of foreign currency from US Dollars and Singapore Dollars to Ringgit Malaysia on the DTL recognized by certain subsidiaries.

### Current liabilities

Trade and other payables increased by RM1.6 million mainly due to provision of bonus for the profit making entities during financial period ended 30 June 2021.

Current interest-bearing liabilities decreased by RM5.4 million mainly due to the repayment for the term loan and revolving credit facilities.

Lease liabilities decreased by RM3.3 million mainly due to the rental of certain office premises are reaching the end of its leasing period and Malaysia entities are still in the midst the tenancy renewal process.

Contracted liabilities increased by RM1.3 million mainly due to increased billings to the clients under the corporate finance, corporate secretarial and trust business and offset with the translation of deferred revenue at a different closing rate as compared to 31 December 2020.

There is no movement on the provision for leave benefits as compared to 30 June 2021.

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

#### Interim Condensed Consolidated Statement of Cash Flow

The net cash generated from operating activities of RM4.9 million in 1H2021 was mainly due to the profit before income tax of RM2.3 million after adding back the non-cash adjustment items, decrease in trade and other receivables towards the end of June 2021 and set off decrease in trade and other payables towards the end of June 2021.

Net cash generated from investing activities of RM1.7 million in 1H2021 was mainly due to dividend received from investment in joint venture of RM1.5 mil, proceeds from disposal of financial assets and offset against the advances to an associate.

Net cash used in financing activities of RM0.7 million in 1H2021 was mainly due to repayments of revolving credit facilities, term loan facilities and lease liabilities which was partially offset by proceeds from term loan.

**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.**

The Company is proud to announce a turnaround to profitability since the last results announcement on 1 March 2021. This positive turnaround is attributable to recovery in most of the services provided by the Group. Although the pandemic is ongoing and the situation remains fluid, the Group has adapted to the new norms by adopting strategies to focus on core businesses whilst implementing initiatives to reduce costs. The Company believes these measures will ensure that the Group is well placed to capitalize on opportunities for continuing growth in a post-pandemic recovery in the region. The Company is optimistic that the roll out of the vaccination programme being carried out regionally will gain traction and fuel the continued growth of the Group's services.

## 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 period reported on.

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

Not applicable.

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

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

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

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

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

Not applicable.

## 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 1H2021 in view of the current phase of growth and the need to consolidate cash resources for business purposes.

- 7. 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 1H2021.

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

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.

- 8. 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.

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

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the six months ended 30 June 2021 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Chew Seng Kok  
Managing Director

13 August 2021

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