



## **FOR IMMEDIATE RELEASE**

### **NEWS RELEASE**

#### **SGX-Listed ZICO Holdings' Q1 FY2018 Net Profit Rises 12.1% to RM1.6 Million Despite Higher Employee Benefit Costs Due To Expansion of Advisory and Transaction Services; Revenue rises 21.2%**

- *Q1 FY2018 turnover increased RM3.6 million to RM20.3 million due to higher contributions from the corporate finance, asset management and trust services;*
- *Increase in employee benefits in line with expansion strategy to deepen suite of services across all 10 ASEAN countries; and*
- *Corporate, finance, and business support services in Singapore and Malaysia continue to strengthen.*

**Singapore, 11 May 2018 – ZICO Holdings Inc.** (“ZICO” and together with its subsidiaries and associated companies, the “Group”) announced today that net profit for the three months ended 31 March 2018 (“Q1 FY2018”) rose 12.1% to RM1.6 million compared to a year ago, driven by stronger contributions from corporate finance advisory, wealth management and trust services.

The Singapore Exchange Catalist-listed integrated provider of multidisciplinary professional services with presence in numerous offices across all ten ASEAN countries, recorded higher net profit despite increased employee benefit expenses as part of business expansion.

Revenue increased 21.2% to RM20.3 million from RM16.7 million over the comparative periods, propelled by the Advisory and Transactional Services (“ATS”) division which grew 39.3% to RM14.9 million (Q1 FY2017: RM10.7 million). This was partially offset by a 10.0% decline in revenue from the Management and Support Services Business & Licensing Service division to RM5.4 million (Q1 FY2017: RM6.0 million) due to changes in invoicing arrangements.

Employees benefit expenses increased 15.5% or RM1.6 million to RM11.7 million over the comparative periods as the Group added headcount to deepen its suite of services, especially for the ATS division. The increase is in line with the growth strategies of Group’s subsidiaries in Singapore and Malaysia, which received their capital market services licenses in 2016 and 2017, respectively.

Other expenses increased by RM1.0 million, primarily attributed to non-core operations including share registrar business, software maintenance, licensing fees and compliance costs relating to the continuing activity on the SGX by ZICO Capital Pte. Ltd.

Earnings per share on a fully diluted basis decreased to 0.35 RM cent in Q1 FY2018 from 0.51 cent in Q1 FY2017, due, *inter-alia*, to the increased number of issued shares and minority interests. Net Asset Value per share as at 31 March 2018 declined to 36.39 RM cents from 37.17 RM cents in the comparative periods. The Group’s cash and cash equivalents decreased by RM2.7 million from RM17.6 million as at 31 March 2017 to RM14.9 million as at 31 March 2018.

“ZICO’s growth trajectory is reflected by its healthy FY2017 revenue growth and in this latest quarter. Our forward strategy will be propelled by capital market services including trust, business advisory and other services coupled with economic growth in the region. We continue to build up the ATS division while adding competencies in each country, increasing synergies and economies of scale through cross-selling and referral of services and sharing resources. During the quarter under review, we persevered with building on these strategies that coincided with growth opportunities in ASEAN,” said ZICO’s Group Managing Director, Mr Chew Seng Kok.

**\*\*End of News Release\*\***

### **About ZICO Holdings Inc.**

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

The Group currently operates two key business segments: (i) Advisory and Transactional Services (“ATS”); and (ii) management support services business & licensing services (“MSSL”).

Within the ATS, ZICO provides legal services, Shariah advisory, trust advisory, corporate services, consulting services, investor services, wealth management services and corporate finance advisory services. ZICO provides legal services only to the extent permitted in the relevant

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jurisdictions. In other jurisdictions, ZICO cooperates with and supports independent and autonomous law firms who are members of the ZICOLaw Network, in compliance with local professional regulations. Presently, ZICO provides legal services in Myanmar and Lao PDR.

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

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

ZICO has business operations in Indonesia, Lao PDR, Malaysia (including Labuan), Myanmar and Singapore. The Group augments its existing regional presence with that of the ZICOLaw network to extend its reach to 10 out of 10 countries in Southeast Asia.

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

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

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