



2 June 2017

Market Announcement Office  
Australian Securities Exchange  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs

## **PROFIT WARNING 2017**

The Group wishes to announce that it expects to incur a loss after tax of between S\$4-5m (2016: S\$2.09m) for the year ended 30 June 2017. The loss is primarily due to continuing challenging circumstances facing the offshore oil and gas sector as well as the construction sector leading to lower prices and margins as well as increase in market development costs to accelerate commercialisation of the Group's new technologies.

The Group's cash flow remains strong with very little or no gearing and continues to be well positioned to take advantage of business opportunities as they arise.

## **STRATEGIC UPDATE – POTENTIAL REALISATION OF TECHNOLOGY INVESTMENTS**

The Group is pleased to announce that most of its investments in the Technology Cluster have begun revenue generation as they emerge from gestation.

The Board has made a strategic decision to realise the value of these investments through one or more spin-offs, potentially in a public listing, to raise funds to scale their growth and to fully unlock their values. In the process it will enable the group to re-focus its directions between its heavy equipment sectors and new economy technology businesses.

The Group has begun to seek out strategic investors to participate directly in each of these technologies or potentially in the entire cluster. The Group would seek to benefit commercially from such investors' participation and from positive fair valuation, hence enhancing shareholders' value.

The process is at an early exploratory stage and the outcomes are speculative. There is no certainty that any spin off or realisation of value will ultimately occur either at all or on acceptable commercial terms or as to the timing of any such realisation.

The Group shall make timely announcements to the ASX to keep shareholders informed on the initiative taken as and when an event occurs that has a material impact on the Group.

Yours faithfully  
Zicom Group Limited

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G L Sim  
Chairman