



**CHAIRMAN'S SPEECH IN 2017 AGM
15 NOVEMBER 2017**

Dear Shareholders,

In my Annual Report, I mentioned the necessary transformation undertaken in the Group's business driven by the fast changing landscape in the global economy.

The transformation aims to achieve long term relevance and sustainability. This has caused some short term costs. Accordingly, our business landscape has changed. Structural changes are evolving.

We expect to continue facing severe challenges to our established businesses in offshore marine, oil and gas and construction equipment in the short term. Fortuitously, our investments in technologies are emerging from gestation and are positioned to unlock their values. We have incorporated a new intermediate holding company, Zicom Innovations Group Pte Ltd, to cluster these portfolio companies together in a group for a potential Initial Public Offering to strengthen its capital base and accelerate commercialisation.

I am pleased to say that your directors and management are undertaking a strategic review of the Group's businesses and structure so as to strengthen focus and align with evolving changes. The entire process will run parallel with unlocking value of the technology cluster. We aim to emerge in greater strength on completion of these initiatives.

The Group's outstanding confirmed orders as at 31 October 2017 totalled S\$21m.

Cash balances as at 31 October, 2017 remain strong at S\$15m. Our net gearing remains zero.

Notwithstanding the pervading challenges, the Group is financially resilient to withstand set-backs in its aim to achieve its long term goal of continuing relevance and sustainability in the fast changing global environment.

I am thankful to my board and management for their strong dedication and support for the long term goals of the Group and the shareholders for their patience and continuous support.

G L Sim
Chairman.

