



20 February 2018

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

Dear Sirs

## **PROFIT WARNING – HALF YEAR 2018**

The Group wishes to announce, subject to audit adjustments, that it expects to incur a loss after tax of between S\$3.3m-S\$3.8m (2017: S\$1.38m) for the half year ended 31<sup>st</sup> December 2017.

The loss is primarily due to continuing challenging circumstances facing the offshore marine sector as well as increase in investments on capability development to scale up commercialisation in the technology investments. The Group's construction sector is profitable.

While the offshore marine sector is expected to remain slack in the medium term, commercialisation for technology investments has commenced and the cluster as a whole is gaining traction. Plans to unlock values in this sector have commenced. Announcements will be made at appropriate intervals.

The Group's cash flow remains positive. Total cash and bank balances at the end of the period are S\$12.6m with gearing ratio at 0.54%. The Group remains well positioned to manage the prevailing challenges and are confident to achieve its restructuring efforts to achieve positive results and sustainable growth in the short to medium term.

Yours faithfully  
Zicom Group Limited

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G L Sim  
Chairman