



16 January 2019

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

Dear Sirs

BUSINESS UPDATE

The Group is pleased to announce a significant recovery in its business prospects.

As at 31st December 2018, the Group's outstanding confirmed orders in hand totalled S\$112m as compared with S\$17.3m as at 31st December 2017.

This significant increase in orders represents a strong recovery in the Group's businesses and prospects in the midst of continuing economic and geopolitical challenges. Barring no unforeseen circumstances, we expect to be profitable going forward.

Based on forecast estimates, we expect the Group's half year's results to 31 December 2018 to be marginally profitable as compared with a loss of S\$3.62m in the previous corresponding period. The full year's results to 30 June 2019 are likewise expected to be positive as compared with the losses of S\$10.87m in the previous year.

We are hopeful to be able to resume dividend payment in 2020.

The Group will announce further update on its performance as soon as the accounts have been finalised.

Yours faithfully
Zicom Group Limited

G L Sim
Chairman