



23 April 2019

ASX Listings Compliance
20 Bridge Street
Sydney NSW 2000

Attention: Ms Belinda Chiu, Senior Adviser

Dear Madam

Zicom Group Limited (“ZGL”): Aware Query

We refer to your letter of 18 April 2019 and are pleased to provide our response as follows:

1. When did ZGL first become aware of the Large Order? Please provide the date.

As at 31st December 2018, ZGL had been advised by its customer on a confidential basis that it has been selected as the supplier for the Large Order but there were commercial pre conditions before that selection was effective. On 15 January 2019, ZGL was advised by the customer that the last commercial precondition to the Large Order taking effect had been satisfied. Until then, the order was confidential and not sufficiently complete for disclosure.

2. Does ZGL consider the Large Order to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

3. If the answer to question 1 is “no”, please advise the basis for that view.

ZGL's marine deck equipment business is a cyclical business which is exposed to the procurement cycle for the type of capital goods that the business manufactures and supplies. Currently, that market is in a cyclical low point. ZGL considers that what is material to the fundamental value of that business is a recovery in sustainable earnings reflecting the market cycle.

Accordingly, the totality of ZGL's customer orders are material to demonstrate signs of emerging recovery in its capital goods businesses. However, ZGL considers that the earnings contribution of the one-off contract over the next 2 – 3 financial years is neither of a size or nature that would have a material impact on the fundamental value of its capital goods business, because it alone does not demonstrate a broader cyclical change.

4. If the answer to question 1 is “yes” and ZGL first became aware of the Large Order before the relevant date, did ZGL make any announcements prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ZGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ZGL took to ensure that the information was released promptly and without delay.

Not applicable.

5. Please confirm that ZGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.

ZGL confirms that it has complied with Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that ZGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZGL with delegated authority from the board to respond to ASX on disclosure matters.

ZGL confirms that the above responses are in accordance with its published continuous disclosure policy and that they are made with delegated authority from the Board.

Yours faithfully
Zicom Group Limited

A handwritten signature in black ink, appearing to be 'G L Sim', written over a horizontal line.

G L Sim
Chairman



18 April 2019

Ms Jenny Lim
Zicom Holdings Pte Ltd

By email: jennylin@zicomgroup.com

Dear Ms Lim

Zicom Group Limited ('ZGL'): Aware Query

ASX refers to the following:

- A. ZGL's announcement entitled "BUSINESS UPDATE" lodged on the ASX Market Announcements Platform ('MAP') and released at 5:57 PM on 16 January 2019 (the 'First Announcement'), disclosing its confirmed orders and providing a half year and full year earnings update.
- B. ZGL's announcement entitled "Business Update – Clarification" lodged on MAP and released at 9:32 AM on 21 January 2019 (the 'Second Announcement'), disclosing that it had orders of S\$112 million including a large order **that has been secured recently** [emphasis added] ('Large Order').
- C. The change in price of ZGL's securities from \$0.06 at the close of trading on 15 January 2019 to \$0.081 at the close of trading on 17 January 2019 (a 35% increase in share price).
- D. ASX correspondence with ZGL dated 8 April 2019, which queried the materiality of the Large Order as stated in the Second Announcement.
- E. ZGL's response to ASX's query dated 9 April 2019, confirming that ZGL did not consider the Large Order itself material requiring separate disclosure under ASX Listing Rule 3.1, on the basis that the Large Order would contribute revenue over 3 financial years and the expected financial effect in each financial year is not considered material.
- F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- G. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- H. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:
"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
3.1A.1 One or more of the following applies:
 - *It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- I. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for Information

Having regard to the above, ASX asks ZGL to respond separately to each of the following questions and requests for information:

1. When did ZGL first become aware of the Large Order? Please provide the date.
2. Does ZGL consider the Large Order to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 1 is "no", please advise the basis for that view.
4. If the answer to question 1 is "yes" and ZGL first became aware of the Large Order before the relevant date, did ZGL make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe ZGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps ZGL took to ensure that the information was released promptly and without delay.
5. Please confirm that ZGL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ZGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZGL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 9:30 AM AEST Wednesday, 24 April 2019.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ZGL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ZGL to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ZGL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ZGL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ZGL's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Belinda Chiu
Senior Adviser, Listings Compliance (Sydney)