



17 February 2020

Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY, NSW 2000

Profit Warning
Half Year to 31 December 2019

Your board wishes to announce that from preliminary accounts available, subject to adjustments that may arise from audit review, the Group is expected to achieve the following results for the half year ended 31 December 2019: -

Revenue

Consolidated revenue from continuing operations for the half year just ended decreased by 43% to S\$31.8m from S\$55.8m achieved in the previous corresponding period.

Net Losses

Consolidated net losses after tax attributable to members for the half year just ended are expected to range between S\$4.2m to \$4.7m as compared with consolidated net profits of S\$3.4m in the previous corresponding period.

Being in the capital goods business, we have been greatly impacted by the continuing trade war between the USA and China which has been compounded by geopolitical uncertainties. Customers across board have generally held back in their purchase decisions. These uncertainties are expected to continue, and potentially worsen with the current coronavirus epidemic – Covid-19, which is expected to spread further before it peaks.

Although the Group's confirmed orders in hand are healthy, the revenue arising therefrom are subject to timing in completion and current accounting standards on revenue recognition. We expect part of it can be recognised in the next half year.

As at 31 December 2019, the Group's confirmed orders in hand totalled S\$92.6m (2018: S\$112m). Of the total orders, S\$55.3m are expected to be delivered in the second half year and S\$37.3m in the financial year ending 30 June 2021.

Yours faithfully
ZICOM GROUP LIMITED

Sim Giok Lak
Chairman