



7 April 2020

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

Covid-19: Singapore Government's Enforcement of Suspension of Business Activities – 7 April 2020

Your board regrets to advise that due to an escalation of the spread of Covid-19 in Singapore where community spread has become more pronounced in recent days, the Singapore government has decided to enforce "circuit breaker" measures to break the chain of infection. The government has mandated that all business activities, except certain essential services, be suspended with effect from 7 April 2020 until 4 May 2020.

As a result, our Group's entities in Singapore will suspend their business activities from 7 April and all employees are required to stay and work at home. Public gathering or dining out are not permitted. Apart from Singapore, other countries in which our customers or suppliers are based suffer similar partial or complete lock-downs.

Our group expects to suffer drop in revenue as well as impact on our cash flows. The Singapore government has imposed a freeze on bank loan repayments over the next 6 months. In addition, the government also guarantees bridging loans granted by banks to Singapore companies up to 90% taken before March 2021. Among other reliefs, the government has increased its subsidy of companies' employees' pay from 25% to 75% on the first S\$4,600 per month for the month of April 2020. This an enhancement on the government's current subsidy of 25% for 9 months to July 2020. Our group plans to tap into some of these reliefs.

The pandemic now engulfs the whole world, with no known cure or vaccine available. Although the challenges are unprecedented, with considerable uncertainties ahead, the group is confident of riding through this difficult situation.

We are confident that the Singapore government's measures will have sufficient effect to control the situation and normal conditions could return in a quarter or two barring no further deterioration of the pandemic.

Yours faithfully
ZICOM GROUP LIMITED

Sim Giok Lak
Chairman