



CHAIRMAN'S SPEECH ANNUAL GENERAL MEETING, 30 NOVEMBER 2020

Dear Shareholders,

This AGM is being held virtually due to the Covid-19 pandemic. The pandemic is expected to get worse as winter approaches and infected cases, particularly in the West, are increasing exponentially. The dismal global environment continues to cast a pall over the global economy. Real recovery is not expected any earlier than middle 2021.

While a new American President is expected to be more collegial in his international approach with allies and trade, the real impetus to improvement in global trade will be very dependent on progress in arresting the worsening pandemic. A significant part of our businesses is directly impacted by the effect of the pandemic. As such, severe challenges and constraints continue to confront us.

We are, however, encouraged that business transformation of our marine sector shows increasing promises. Our rigorous push on the LNG propulsion systems as an alternative energy, is hopeful to achieve a major breakthrough. Existing turnkey gas processing projects, thanks to the gallant efforts of our project teams, are well on track. This strengthens our track record for further orders.

The construction equipment and precision engineering businesses have hit bottom. However, order enquiries have increased although pace of realization is expected to be slow. We are positioned to ride with the recovery as the pandemic is being controlled.

The Group's gearing ratio has strengthened from 49% as at 30 June 2020 to 24% as at 31 October 2020. The Group's finances are able to sustain over the period of the pandemic and position us to ride with the economic recovery that an easing of the pandemic will bring about.

As part of the Company's board renewal, Capt Shaw Pao Sze, 76 and Mr. Ian Millard, 81 retire as directors in this AGM. The Board records its appreciation for their invaluable contributions over the years. The Board proposes to appoint Dr Dean Tai, 42, an accomplished scientist with management and corporate experiences, to the Board to strengthen our innovation culture. Dr Tai resides in Australia.

These have been difficult times. Strongest accolades are due to our project teams who steadfastly focus in executing our projects against very challenging conditions during this period. I thank them for that. I am also grateful to the strong dedication of all the Group's management and staff as well as the directors who continue to put in their best efforts during this period. We will continue to strengthen ourselves to seek growth to enhance shareholders' value.

Yours faithfully
Zicom Group Limited

Sim Giok Lak
Executive Chairman