



**CHAIRMAN'S ADDRESS**  
**ANNUAL GENERAL MEETING, 30 NOVEMBER 2021**

Dear Shareholders,

The recovery of the entire global economy hinges on the Covid-19 pandemic easing off. While vaccination rates have accelerated globally, these have not found to arrest the increase in cases which continue to test new peaks. Just a few days ago, a more virulent strain than the Delta Variant, code-named Omicron that broke out in South Africa, threatens to aggravate the pandemic as it appears to be more contagious. The coming winter in the northern hemisphere is expected to compound the situation.

Green shoots in the global economy have begun to appear, when increases in infections have not appeared to be translated into increased fatalities. Increased vaccinations help to alleviate the seriousness of infections. Various countries have begun to ease travel restrictions to support people movement and global trade. However, the situation has now become fraught. The pace of economy recovery is already slow, impacted by travel restrictions, global supply chain and logistic issues. The supply chain issues are expected to continue for at least another 12 months. These have caused inflation to rear its ugly heads. Global interest rates are expected to increase as a result.

The challenges ahead are now shrouded with increased uncertainties.

The Group is well positioned for growth, having built new capabilities and transformed its business in its foray into green energy applications. Demand for automation engineering has resurged so is demand for construction equipment. While the landscape appears more promising than the last 2 years of the pandemic, and projects in the pipeline are more visible, customers' decision-making remains slow, clouded by the uncertainties of the pandemic. We therefore expect to experience a 3-6 months delay in project awards generally.

The Company's cash position remains healthy to support prospective orders coming on stream. Our gearing ratio remains satisfactory so that we are well positioned to secure project financing as and when needed.

As part of our effort in capital management and to enhance shareholders value, the Group has judiciously carried out share buy-back to align the share price with our intrinsic value. The Group will continue with this effort as and when it is appropriate over the financial year to achieve its corporate objective, while at the same time, conserving adequate liquid capital to execute projects when secured, to return the Group to early profitability.

Your directors believe that the worst of the pandemic on our business is easing, provided that the latest mutations do not aggravate the pandemic. While the path forward remains strenuous, the gloom in the last 18 months has certainly begun to emit some light.

I would like to take this occasion to thank all our stakeholders for their support during this difficult period and for the company going forward.

Yours faithfully  
Zicom Group Limited

Sim Giok Lak  
Executive Chairman