



# **ZICOM GROUP LIMITED**

## **Appendix 4D**

**For the Half Year ended**

**31 December 2023**

Name of entity: **ZICOM GROUP LIMITED**

ABN: **62 009 816 871**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

1. **Financial reporting period**

The reporting period is the half year ended 31 December 2023.

The previous corresponding period is the half year ended 31 December 2022.

2. **Results for announcement to the market**

**Six months ended**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>% Change</b>
	\$'000	\$'000	
Revenues from ordinary activities	59,492	52,837	12.59%
Net loss from ordinary activities after tax attributable to members	(2,816)	(4,659)	-39.56%
Net loss for the period attributable to members	(2,816)	(4,659)	-39.56%

3. **Dividends**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>% Change</b>
Interim dividend per security	–	–	–

4. **Net tangible assets per security**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>	<b>% Change</b>
Net tangible assets per security (Singapore cents)	14.95	16.02	- 6.68%

The calculation of net tangible assets per security includes contract assets and lease liabilities but excludes right-of-use intangible assets.

5. **Entities over which control has been gained/lost**

There were no changes to controlled entities during the half year ended 31 December 2023.

6. **Dividend reinvestment plan**

Not applicable.

7. **Details of associates or joint ventures**

Please refer to Note 11.

8. **Audit Review**

The financial statements have been reviewed by the auditors and the auditor's report is attached as part of the half-year report.

**Signed**



GL Sim  
Chairman  
29 February 2024



# **ZICOM GROUP LIMITED**

## **Half-Year Financial Report**

**For the period ended**

**31 December 2023**

**ZICOM GROUP LIMITED**  
ABN 62 009 816 871  
**HALF-YEAR REPORT – 31 DECEMBER 2023**

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## Corporate Information

This half-year report covers the consolidated entity comprising Zicom Group Limited and its subsidiaries (the Group). The Group's presentation currency is Singapore Dollars (S\$).

A description of the Group's operations and of its principal activities is included in the review of operations in the Report of the Directors on page 2.

### Directors

Giok Lak Sim	(Executive Chairman)
Kok Yew Sim	(Executive Director, Group CEO)
Jenny Lim Bee Chun	(Executive Director)
Yian Poh Lim	(Non-Executive and Independent Director)
Stewart James Douglas	(Non-Executive and Independent Director)
Renny Yeo Ah Kiang	(Non-Executive and Independent Director)
Dean Tai Chi-Shang	(Non-Executive and Non-Independent Director)
Kok Hwee Sim	(Alternate Director to Mr Giok Lak Sim)

### Joint Company Secretaries

Jenny Lim Bee Chun  
Gary Webster

### Registered Office

38 Goodman Place  
Murarrie QLD 4172, Australia  
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Facsimile: +61 7 3390 6898  
Website: www.zicomgroup.com

### Auditors

PKF Brisbane Audit  
Level 2, 66 Eagle Street  
Brisbane, QLD 4000  
Australia

### Solicitors

Thomson Geer  
Level 28, 1 Eagle Street  
Brisbane, QLD 4000  
Australia

### Share Registry

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane, QLD 4000  
Australia

Facsimile: +61 2 9287 0303

### Bankers

#### Australia

Westpac Banking Corporation

#### Singapore

United Overseas Bank Limited  
Maybank Singapore Limited  
Oversea-Chinese Banking Corporation Limited  
DBS Bank Ltd

#### Thailand

United Overseas Bank (Thai) Public Company Limited  
The Siam Commercial Bank Public Company Limited

#### China

Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation

#### Bangladesh

Dhaka Bank Limited  
National Credit and Commerce Bank PLC.

#### Philippines

BDO Unibank, Inc.

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## Report of the Directors

Your directors present the consolidated financial report for the half year ended 31 December 2023.

### Directors

The following persons held office as directors of Zicom Group Limited at the date of this report and for the whole of the period since 1 July 2023:

Giok Lak Sim	(Executive Chairman)
Kok Yew Sim	(Executive Director, Group CEO)
Jenny Lim Bee Chun	(Executive Director)
Yian Poh Lim	(Non-Executive and Independent Director)
Stewart James Douglas	(Non-Executive and Independent Director)
Renny Yeo Ah Kiang	(Non-Executive and Independent Director)
Dean Tai Chi-Shang	(Non-Executive and Non-Independent Director)
Kok Hwee Sim	(Alternate Director to Mr Giok Lak Sim)

### Review of Operations

The Group's consolidated revenue for the half year ended 31 December 2023 is S\$59.49m as compared with S\$52.84m for the same period in the previous year. The Group's half-year consolidated loss after tax attributable to members decreased by 39.56% to S\$2.82m as compared with S\$4.66m for the same period in the previous year.

This half year's loss has been exacerbated by non-recurrent charges made up of legal fees and bad debts amounting to S\$0.85m. The loss includes taxation of S\$0.58m payable by profitable subsidiaries, arising from having exhausted brought forward tax losses. The Group has no outstanding legal matters and, going forward, is not subject to any significant legal costs.

The Group's orders in hand as at 31 December 2023 amounting to S\$142.62m has been bolstered by a recent award from the Singapore government of a project to fully automate the urine samples in four immigration sites, amounting to S\$30m that was announced on 24 January 2024. These orders reflect the Group's increased emphasis and focus as an engineering and technology solutions provider to generate higher value-added revenue.

The Group exercised considerable prudence in the last 12 months on the projects secured, inevitably suffering some delays in execution and recognition of revenue. Gratuitously, most of the financial constraints have eased. We have, in recent months, commenced execution of the projects and are accelerating their progress. We do not expect any penalties as generally the projects are deemed to commence from the dates the mode of payment becomes effective.

Although the global economic and geopolitical situation has not improved and may potentially fall into a recession, the Group is confident to experience improved performance going forward.

The Group continues to maintain strong cash and bank balances at S\$16.58m as at 31 December 2023 (30 June 2023: S\$12.67m). The Group's gearing ratio which has been arrived at by dividing interest-bearing liabilities, including lease liabilities, less cash and cash balances over capital has increased from 50.41% as at 30 June 2023 to 54.17% as at 31 December 2023. The increase in ratio is due to capitalisation of new lease renewals as well as increased working capital needed to execute the multiple gas processing projects on hand. Disregarding lease liabilities, the gearing ratio for this half year would have been 36.83% as compared with 33.18% as at 30 June 2023.

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A comparison of the current half year results with those of the previous year corresponding period is as follows: -

Key Financials	Change (%)	6 months ended 31 Dec 23 (S\$ million)	6 months ended 31 Dec 22 (S\$ million)
Revenue	+ 12.59%	59.49	52.84
Net loss after tax attributable to equity holders of the Parent	- 39.56%	(2.82)	(4.66)

During the half year, the average exchange rate for the A\$ against the S\$ was A\$1.00 to S\$0.8838 (2022: S\$0.9328). As at 31 December 2023, the exchange rate was A\$1.00 to S\$0.9008 (30 June 2023: A\$1 to S\$0.8982).

**Segmental Revenue**

The following is an analysis of the segmental revenue:-

Segmental Revenue	Change (%)	6 months ended 31 Dec 23 (S\$ million)	6 months ended 31 Dec 22 (S\$ million)
Green Energy, Gas & Marine Equipment	+ 26.55%	27.93	22.07
Construction Equipment	+ 27.15%	21.54	16.94
Precision Engineering & Technologies	- 27.57%	10.27	14.18

**Green Energy, Gas & Marine Equipment**

Revenue for green energy, gas & marine equipment increased significantly by 26.55% in the current half year as compared with the same period in the previous year. The revenue increase is attributable to the final delivery of the LNG systems to the customers and the accounting for progress in execution of the gas processing plants which commenced during this half year.

Demand for marine deck machinery remains slow. We have forayed into non-traditional markets and have secured some breakthrough orders. In addition to LNG propulsion systems, we are increasing our focus to develop both methanol and ammonia systems which are carbon free. However, marine engines for such propulsion systems are still under development or at initial production requiring momentum in the market.

**Construction Equipment**

Demand for concrete mixers in Australia has been strong and is expected to remain strong to meet demand of infrastructure constructions in the country. In Thailand, post-Covid constructions are driving demand. With a new government, increased spending on delayed infrastructure programs across the country is expected. Freight rates have generally remained at normal levels. The “Red Sea Crisis” causing shipping diversion caused a transitory spike but quickly returned to normal as our shipping routes are mainly in the East and not directly impacted by it.

The foundation equipment business is slowly gaining traction in its recovery post-Covid. In Singapore, government’s projects are being accelerated. Increased government spending on infrastructure and building constructions in the ASEAN neighbouring countries is likewise occurring.

**Precision Engineering & Technologies**

The precision engineering sector had suffered its first legal issue on a project undertaken. These have been fully resolved enabling the management and engineering group to focus on growth. Increased enquiries are being translated into orders. The Group has been pursuing a direction to provide more integrated automation solution services and be more judicious in taking on one-off jobs that possess characteristics of latent research. In pursuit of this direction, the Group has successfully secured a Singapore government award to fully automate the urine sample handling at four immigration sites amounting to S\$30m. The project comes with a long-term maintenance contract that will provide recurrent revenue.

The Group’s precision engineering sector will continue to strengthen its capabilities in this direction so as to secure better value-added projects with recurrent maintenance contracts.

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**Financial Position**

The Group's financial position remains strong: -

Classification	Increase/(decrease) S\$ million	As at 31 Dec 23 S\$ million	As at 30 Jun 23 S\$ million
Net assets	(3.07)	44.64	47.71
Net working capital	(3.30)	7.28	10.58
Cash in hand and at bank	3.91	16.58	12.67

**Cash Policy & Gearing Ratio**

The Group's gearing ratio has increased from 50.41% as at 30 June 2023 to 54.17% as at 31 December 2023. Gearing ratio has been arrived at by dividing our interest-bearing liabilities less cash and cash balances over capital. Interest-bearing liabilities have included lease liabilities in line with AASB 16 *Leases*. Disregarding lease liabilities, the gearing ratio for this half year would have been 36.83% as compared with 33.18% as at 30 June 2023.

**Return Per Share**

The Group's earnings and net tangible assets per share are as follows: -

Classification	Decrease Singapore Cents	6 months ended 31 Dec 23 Singapore Cents	6 months ended 31 Dec 22 Singapore Cents
Loss per share	0.86	(1.31)	(2.17)

The weighted average number of shares used to compute earnings per share are 214,560,008 for this half year and for the previous year corresponding period.

Classification	Decrease Singapore Cents	As at 31 Dec 23 Singapore Cents	As at 30 Jun 23 Singapore Cents
Net tangible assets per share	1.07	14.95	16.02

The calculation of net tangible assets per share includes contract assets and lease liabilities but excludes right-of-use intangible assets.

**Confirmed Orders**

We have a total of S\$142.62m (31 Dec 2022: S\$190.61m) outstanding confirmed orders in hand as at 31 December 2023. A breakdown of these outstanding orders secured is as follows:-

	S\$ m
Green Energy, Gas & Marine Equipment	115.55
Construction Equipment	11.82
Precision Engineering & Technologies	<u>15.25</u>
Total	<u>142.62</u>

Of the above, S\$54.92m are scheduled for delivery in the second half of this financial year and S\$87.70m are scheduled to be delivered in the financial years 2025 and 2026.

On 24 January 2024, the Group announced that it was awarded a contract of S\$30m to supply a fully automated system to handle urine samples at four immigration sites by the Singapore Government. The project is expected to take 32 months to complete from date of acceptance.

**Prospects**

Global uncertainties remain. The risks of a global recession remain high. Fortunately the Group is well placed with total confirmed orders in hand amounting to S\$173m as at the date of this report. The Group is confident that sustainable growth prospects remain strong in line with its focus to capture better value-added opportunities.

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**Subsequent Events after Balance Sheet Date**

No matter or circumstance has occurred subsequent to the period-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to 31 December 2023.

**Dividends**

The Board has decided that in the present circumstances payment of a dividend is not prudent. The Board will continuously review its decision in this regard.

**Auditor Independence**

A copy of the auditor's signed independence declaration is attached to this report.

**Rounding of Amounts**

The Company is an entity to which the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and accordingly, amounts contained in the half-year report have been rounded to the nearest S\$1,000 unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors.



GL Sim  
Chairman

29 February 2024



**PKF Brisbane Audit**  
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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF ZICOM GROUP LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN  
PARTNER

29 FEBRUARY 2024  
BRISBANE

**ZICOM GROUP LIMITED**  
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**Consolidated Statement of Comprehensive Income**

for the half year ended 31 December 2023

	Note	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Revenue from contracts with customers	4	58,249	52,033
Rental income		1,243	804
<b>Revenue</b>		<u>59,492</u>	<u>52,837</u>
Other revenue	4	339	395
<b>Total consolidated revenue</b>		59,831	53,232
Cost of materials		(34,920)	(33,736)
Employee, contract labour and related costs		(15,542)	(14,562)
Depreciation and amortisation		(2,716)	(2,694)
Property related expenses		(124)	(113)
Other operating expenses	4	(7,651)	(6,060)
Finance costs		(1,011)	(813)
Share of results of associate	11	(181)	(194)
<b>Loss before taxation</b>		(2,314)	(4,940)
Tax (expense)/benefit	5	(578)	204
<b>Loss for the period</b>		<u>(2,892)</u>	<u>(4,736)</u>
<b>Other comprehensive loss</b>			
<b>Items that may be subsequently reclassified to profit or loss (net of tax):</b>			
Foreign currency translation on consolidation		(181)	(1,048)
<b>Total comprehensive loss for the period</b>		<u>(3,073)</u>	<u>(5,784)</u>
<b>Loss attributable to:</b>			
Equity holders of the Parent		(2,816)	(4,659)
Non-controlling interests		(76)	(77)
<b>Loss for the period</b>		<u>(2,892)</u>	<u>(4,736)</u>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Parent		(2,997)	(5,707)
Non-controlling interests		(76)	(77)
<b>Total comprehensive loss for the period</b>		<u>(3,073)</u>	<u>(5,784)</u>
<b>Earnings per share (cents)</b>			
Basic loss per share	6	(1.31)	(2.17)
Diluted loss per share	6	(1.31)	(2.17)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**ZICOM GROUP LIMITED**  
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**Consolidated Balance Sheet**

as at 31 December 2023

	Note	31-Dec-23 S\$'000	30-Jun-23 S\$'000
<b>Non-current assets</b>			
Property, plant and equipment		31,477	32,376
Right-of-use assets		8,737	8,293
Intangible assets		5,263	5,454
Deferred tax assets		2,209	2,327
Investment in associate	11	2,137	2,318
		49,823	50,768
<b>Current assets</b>			
Cash and cash equivalents	7	11,119	6,211
Fixed deposits	8	5,456	6,455
Inventories		28,460	26,654
Trade and other receivables		22,276	21,406
Contract assets	9	12,009	4,843
Contract costs		5,450	3,105
Prepayments		592	491
Tax recoverable		97	174
		85,459	69,339
<b>TOTAL ASSETS</b>		135,282	120,107
<b>Current liabilities</b>			
Trade and other payables	10	35,776	23,568
Contract liabilities		8,493	7,275
Lease liabilities		1,683	1,395
Other interest-bearing liabilities	12	30,103	25,257
Provisions		1,605	1,098
Income tax payable		515	169
		78,175	58,762
<b>NET CURRENT ASSETS</b>		7,284	10,577
<b>Non-current liabilities</b>			
Lease liabilities		6,931	6,980
Other interest-bearing liabilities	12	2,117	3,135
Deferred tax liabilities		3,099	3,223
Provisions		325	299
		12,472	13,637
<b>TOTAL LIABILITIES</b>		90,647	72,399
<b>NET ASSETS</b>		44,635	47,708

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**Consolidated Balance Sheet (cont'd)**

as at 31 December 2023

	Note	31-Dec-23 S\$'000	30-Jun-23 S\$'000
<b>Equity attributable to equity holders of the Parent</b>			
Share capital	13	20,836	20,836
Reserves		9,785	10,355
Retained earnings		14,162	16,621
		44,783	47,812
<b>Non-controlling interests</b>		(148)	(104)
<b>TOTAL EQUITY</b>		<u>44,635</u>	<u>47,708</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>135,282</u>	<u>120,107</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

**ZICOM GROUP LIMITED**  
ABN 62 009 816 871  
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**Consolidated Statement of Changes in Equity**

for the half year ended 31 December 2023

	Attributable to equity holders of the Parent							Non-controlling interests	Total equity
	Share capital	Share capital – exercise of share options	Asset revaluation surplus	Foreign currency translation reserve	Share-based payment reserve	Retained earnings	Total		
Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1.7.2023</b>	20,364	472	13,773	(3,509)	91	16,621	47,812	(104)	47,708
Loss for the period	–	–	–	–	–	(2,816)	(2,816)	(76)	(2,892)
Other comprehensive income									
Foreign currency translation	–	–	–	(181)	–	–	(181)	–	(181)
Total comprehensive income for the period	–	–	–	(181)	–	(2,816)	(2,997)	(76)	(3,073)
Acquisition of non-controlling interest	–	–	–	–	–	(32)	(32)	32	–
Forfeited employee share options	–	–	–	–	(1)	1	–	–	–
Transfer of depreciation for buildings	–	–	(388)	–	–	388	–	–	–
<b>Balance at 31.12.2023</b>	<b>20,364</b>	<b>472</b>	<b>13,385</b>	<b>(3,690)</b>	<b>90</b>	<b>14,162</b>	<b>44,783</b>	<b>(148)</b>	<b>44,635</b>
<b>Balance at 1.7.2022</b>	20,364	472	14,551	(2,194)	86	24,379	57,658	91	57,749
Loss for the period	–	–	–	–	–	(4,659)	(4,659)	(77)	(4,736)
Other comprehensive income									
Foreign currency translation	–	–	–	(1,048)	–	–	(1,048)	–	(1,048)
Total comprehensive income for the period	–	–	–	(1,048)	–	(4,659)	(5,707)	(77)	(5,784)
Share-based payments	–	–	–	–	10	–	10	–	10
Forfeited employee share options	–	–	–	–	(3)	3	–	–	–
Transfer of depreciation for buildings	–	–	(389)	–	–	389	–	–	–
<b>Balance at 31.12.2022</b>	<b>20,364</b>	<b>472</b>	<b>14,162</b>	<b>(3,242)</b>	<b>93</b>	<b>20,112</b>	<b>51,961</b>	<b>14</b>	<b>51,975</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**ZICOM GROUP LIMITED**  
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**Consolidated Statement of Cash Flows**  
 for the half year ended 31 December 2023

	Note	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
<b>Cash flows from operating activities</b>			
Operating loss before taxation		(2,314)	(4,940)
Adjustments for:			
Depreciation of property, plant and equipment		1,587	1,567
Depreciation of right-of-use assets		963	959
Amortisation of intangible assets		166	168
Property, plant and equipment written off	4	-	3
Intangible assets written off	4	33	-
Gain on disposal of property, plant and equipment	4	(146)	(1)
Loss on early termination of lease		14	-
Bad debts written off	4	270	-
Provision for doubtful debts	4	92	-
(Reversal of)/provision for inventory obsolescence	4	(55)	13
Inventories written off	4	-	8
Finance costs		1,011	813
Interest income	4	(84)	(52)
Share-based payments		-	10
Provisions made, net		567	212
Share of results of associate		181	194
Unrealised foreign exchange differences		(298)	(1,037)
<b>Operating profit before reinvestment in working capital</b>		1,987	(2,083)
Increase in stocks and work-in-progress		(2,185)	(1,241)
Increase in trade receivables, contract assets and prepayments		(10,832)	(5,194)
Increase in trade and other payables, contract liabilities		13,138	2,693
<b>Cash generated from/(used in) operations</b>		2,108	(5,825)
Interest received		72	5
Interest paid		(750)	(686)
Income taxes paid		(202)	(80)
<b>Net cash generated/(used in) from operating activities</b>		1,228	(6,586)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,222)	(297)
Proceeds on disposal of property, plant and equipment		71	1
Increase in computer software		(3)	-
Decrease/(increase) in fixed deposits pledged		999	(1,474)
<b>Net cash used in investing activities</b>		(155)	(1,770)

**ZICOM GROUP LIMITED**  
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**Consolidated Statement of Cash Flows (Cont'd)**  
 for the half year ended 31 December 2023

	Note	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000
<b>Cash flows from financing activities</b>			
Increase in bills payable		1,968	970
Repayments of bank borrowings		(1,489)	(1,547)
Proceeds from related party loans		3,600	4,500
Proceeds from asset financing		850	-
Repayment of lease liabilities		(956)	(1,038)
<b>Net cash generated from financing activities</b>		3,973	2,885
Net increase/(decrease) in cash and cash equivalents		5,046	(5,471)
Effect of exchange rate changes on cash and cash equivalents		94	230
Cash and cash equivalents at beginning of period		5,703	13,462
<b>Cash and cash equivalents at end of period</b>	7	10,843	8,221

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

## Notes to the Consolidated Financial Statements

### Note 1 Corporate Information

The financial report of Zicom Group Limited (the “Company” or “Parent Entity”) and its subsidiaries (collectively, the “Group” or “consolidated entity”) for the half year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 29 February 2024. Zicom Group Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

### Note 2 Summary of significant accounting policies

This general purpose interim financial report for the half year ended 31 December 2023 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the requirements of the *Corporations Act 2001*.

This financial report also complies with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2023 and considered together with any public announcements made by Zicom Group Limited during the half year ended 31 December 2023 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies applied by the consolidated entity in this interim financial report are consistent with those applied by the consolidated entity in the annual financial report for the year ended 30 June 2023, except for the adoption of new and revised standards effective for annual financial period beginning on or after 1 July 2023. The adoption of these standards or amendments had no material impact on the financial position or performance of the Group.

The Group has not early adopted any other Standard, Interpretation or amendments that has been issued but is not yet effective.

### Note 3 Segment information

#### *Identification of reportable segments*

The Group has identified its operating segments based on internal reports that are reviewed and used by the chief operating decision maker and the executive management team in assessing performance and in determining the allocation of resources. The operating segments are identified based on products and services as follows:

- Green Energy, Gas & Marine Equipment – design and supply of LNG propulsion systems, deck machinery, gas metering stations, compressor stations, gas processing plants and related equipment, parts and services.
- Construction Equipment – manufacture and supply of concrete mixers, foundation equipment and hydraulic drive systems including rental of foundation equipment, supply of parts and related services.
- Precision Engineering & Technologies – manufacture and supply of precision and automation equipment including flip chip bonders, supply of medtech equipment, medical consumables and engineering services.

#### *Intersegment sales*

Intersegment sales are recognised based on internally set transfer prices at arm’s length basis.

#### *Unallocated revenue and expenses*

Unallocated revenue comprise mainly non-segmental revenue. Unallocated expenses comprise mainly non-segmental expenses such as head office expenses.

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**Note 3 Segment information (cont'd)**

	<b>Green Energy, Gas &amp; Marine Equipment S\$'000</b>	<b>Construction Equipment S\$'000</b>	<b>Precision Engineering &amp; Technologies S\$'000</b>	<b>Consolidated S\$'000</b>
<b>Half year ended 31 Dec 2023</b>				
<b>Revenue</b>				
Sales of goods	159	18,817	9,011	27,987
Rendering of services	-	1,266	229	1,495
Revenue recognised on projects	27,748	-	1,019	28,767
<b>Revenue from contracts with customers</b>	<b>27,907</b>	<b>20,083</b>	<b>10,259</b>	<b>58,249</b>
Intersegment sales	-	-	-	-
Rental income	-	1,243	-	1,243
Other income	19	210	13	242
Total segment revenue	27,926	21,536	10,272	59,734
Intersegment elimination				-
Unallocated revenue				13
Interest Income				84
<b>Total consolidated revenue</b>				<b>59,831</b>
<b>Results</b>				
Segment results	(574)	2,079	(1,730)	(225)
Unallocated revenue				13
Unallocated expenses				(994)
Share of results of associate			(181)	(181)
Loss before tax and finance costs				(1,387)
Finance costs				(1,011)
Interest income				84
<b>Loss before taxation</b>				<b>(2,314)</b>
Tax expense				(578)
<b>Loss after taxation</b>				<b>(2,892)</b>

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**Note 3 Segment information (cont'd)**

	<b>Green Energy, Gas &amp; Marine Equipment</b> S\$'000	<b>Construction Equipment</b> S\$'000	<b>Precision Engineering &amp; Technologies</b> S\$'000	<b>Consolidated</b> S\$'000
<b>Half year ended 31 Dec 2022</b>				
<b>Revenue</b>				
Sales of goods	1,155	14,546	12,677	28,378
Rendering of services	-	1,449	274	1,723
Revenue recognised on projects	20,798	-	1,134	21,932
<b>Revenue from contracts with customers</b>	<b>21,953</b>	<b>15,995</b>	<b>14,085</b>	<b>52,033</b>
Intersegment sales	-	52	-	52
Rental income	-	804	-	804
Other income	118	92	98	308
<b>Total segment revenue</b>	<b>22,071</b>	<b>16,943</b>	<b>14,183</b>	<b>53,197</b>
Intersegment elimination				(52)
Unallocated revenue				35
Interest Income				52
<b>Total consolidated revenue</b>				<b>53,232</b>
<b>Results</b>				
Segment results	(3,174)	176	215	(2,783)
Unallocated revenue				35
Unallocated expenses				(1,237)
Share of results of associate			(194)	(194)
Profit before tax and finance costs				(4,179)
Finance costs				(813)
Interest income				52
<b>Loss before taxation</b>				<b>(4,940)</b>
Tax benefit				204
<b>Loss after taxation</b>				<b>(4,736)</b>

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**Note 4 Revenue, income and expenses**

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	S\$'000	S\$'000
<i>(i) Revenue from contracts with customers</i>		
<i>Transferred at a point in time</i>		
Sale of goods	27,987	28,378
Revenue recognised on projects	299	13
<i>Transferred over time</i>		
Rendering of services	1,495	1,723
Revenue recognised on projects	28,468	21,919
	58,249	52,033
<i>(ii) Other operating income</i>		
Interest income	84	52
Sales of scrap	59	85
Services rendered	13	13
Government grants	33	232
Gain on disposal of property, plant and equipment	146	1
Other revenue	4	12
	339	395
<i>(iii) Other operating expenses included the following</i>		
Bank charges	652	260
Bad debts written off	270	–
Provision for product warranties, net	494	57
Foreign exchange loss/(gain), net	112	(259)
Legal and professional fees	582	189
Provision for doubtful debts, net	92	–
Provision for inventory obsolescence	(55)	13
Property, plant and equipment written off	–	3
Intangible assets written off	33	–
Inventories written off	–	8
Sales commission	1,956	1,357
Sea freight	595	1,182

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**Note 5      Income tax**

The major components of income tax (expense)/benefit for the half year ended 31 December 2023 and 31 December 2022 are:

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	S\$'000	S\$'000
<i>Current income tax</i>		
Current income tax charge	(502)	(77)
Adjustments in respect of previous years	(118)	(49)
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(47)	419
Adjustments in respect of previous years	89	(89)
Tax (expense)/benefit	(578)	204

**Note 6      Earnings per share**

Basic earnings per share is calculated by dividing the Group's profit or loss attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, profit or loss attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding are adjusted for effects of all dilutive potential shares.

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	S\$'000	S\$'000
Net loss attributable to equity holders of the Parent	(2,816)	(4,659)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	214,560	214,560
	Singapore cents	
Basic and diluted loss per share	(1.31)	(2.17)

**Note 7      Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	S\$'000	S\$'000
Cash at bank and in hand	11,105	6,197
Demand deposits	14	14
	11,119	6,211

For the purpose of cash flow statements, cash and cash equivalents comprise the following:

Cash and short-term deposits	11,119	6,211
Bank overdrafts	(276)	(508)
	10,843	5,703

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**Note 8 Fixed deposits**

These are deposits placed with a bank as part of banking facilities requirements.

**Note 9 Contract assets**

Contract assets mainly relate to the Group’s rights to consideration for work completed on specialised assets built for customers but not billed as at 31 December 2023. Contract assets will be transferred to trade receivables when billing is raised. The significant increase in contract assets is in line with the accounting for progress in the execution of the multiple gas processing plants during this half year.

**Note 10 Trade and other payables**

Trade and other payables have also increased at the reporting date in line with the execution of multiple gas processing projects. Included herein are accrued cost of sales amounting to S\$12.16m relating to specialised materials fabricated mainly for the gas processing projects but not invoiced by suppliers.

**Note 11 Investment in associate**

Movement in the carrying amount of the Group’s investment in associate:

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	S\$’000	S\$’000
<b>Emage Vision Pte. Ltd. (“EV”)</b>		
Shareholdings held: 16.29% (30 Jun 23: 16.29%)		
Principal place of business: Singapore		
At beginning of period	2,318	2,711
Share of results after income tax	(181)	(393)
At end of period	2,137	2,318

Although the Group holds less than 20% of equity interest in EV, the Group has the ability to exercise significant influence through its shareholdings and participation on EV Board of Directors.

**Note 12 Other interest-bearing liabilities**

	<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	S\$’000	S\$’000
<i>Current</i>		
Bank overdrafts (Note 7)	276	508
Bills payable	9,216	7,248
Revolving term loans	8,700	9,200
Term loans	2,022	1,993
Loans from a related party	9,889	6,308
	30,103	25,257
<i>Non-Current</i>		
Term loans	2,117	3,135

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**Note 13 Share capital**

	<b>Parent Entity</b>		<b>Consolidated</b>	
	<b>31-Dec-23</b>	<b>30-Jun-23</b>	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	No. of shares (Thousands)		S\$'000	S\$'000
Ordinary fully paid shares	<u>214,560</u>	<u>214,560</u>	<u>20,836</u>	<u>20,836</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

There was no movement in share capital for the half year ended 31 December 2023.

**Note 14 Related party disclosures**

a) Sales and purchases of goods and services

The following table provides the total amount of transactions which have been entered into with related parties during the half year ended 31 December 2023 and 31 December 2022.

	<b>31-Dec-23</b>	<b>31-Dec-22</b>
	S\$'000	S\$'000
Minority shareholder of a subsidiary company		
- Sales	<u>103</u>	<u>94</u>
Other related parties		
- Sales	498	600
- Purchases	90	–
- Rental & utilities income	13	13
- Interest expense	<u>214</u>	<u>59</u>

b) Amounts due from/(to) related parties

The following table provides the balances with related parties as at 31 December 2023 and 30 June 2023.

	<b>31-Dec-23</b>	<b>30-Jun-23</b>
	S\$'000	S\$'000
Related party receivables		
- trade	208	385
- non-trade	<u>13</u>	<u>12</u>
Related party payables		
- trade	53	–
- non-trade	689	474
- loans	<u>9,889</u>	<u>6,308</u>

There was no amount owing from or to associate as at 31 December 2023 and 30 June 2023.

**Note 15      Subsequent events**

No matter or circumstance has occurred subsequent to the period-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to 31 December 2023.

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## **Directors' Declaration**

In accordance with a resolution of the directors of Zicom Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



GL Sim  
Chairman

Brisbane  
29 February 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZICOM GROUP LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Zicom Group Limited ("the company"), which comprises the consolidated balance sheet as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zicom Group Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

### Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



## Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN  
PARTNER

29 FEBRUARY 2024  
BRISBANE