



## **ZICOM GROUP LIMITED CHAIRMAN'S SPEECH AT AGM, 15 NOVEMBER 2016**

Dear Shareholders,

Recent world developments are expected to compound the challenges confronting the global economic situation for the years to come. Mainstream opinions have, in recent times, been disrupted by unexpected and surprise outcome making the global economic environment more shrouded.

When your board first set out to pursue technology investments it was to steer the business from the vagaries of changes in political and nationalistic developments in the world. Hence the belief that pursuing a direction relevant to Industrie 4.0 aligns us with the new economy. It is not only a choice for sustainability but survival. Disruptive technology forces now virtually underscore the global economic fabric. We will continue to expand in this direction as economic forces, driven by disruptive technologies, will transcend political or nationalistic developments.

We have maintained our financial prudence in the pursuit of these goals employing only internal resources with zero gearing. We will continue such a policy.

As indicated in our Annual Report, our investment technologies are expected to gain sufficient traction positioning us to unlock some values in the near future. We target this over 18 months. Gestation costs on these investments are expected to reduce. However marketing development costs are expected to increase but with revenue generation.

The group's on-going core businesses will continue to face increasing challenges in the years to come. However, we are confident these businesses are expected to maintain its market share, delivering positive results and remain cash positive.

As at 31 October 2016, outstanding confirmed orders in hand totalled S\$40m. We are confident of increasing orders.

The group's cash balances as at 31 Oct is \$18.3m with zero gearing. As such, when we unlock values on some investments, in time to come, the group will be well positioned to take advantage of opportunities that may arise from the global uncertainties.

Your board is confident of the group's direction in the new economy, and is hopeful that in spite of increasing challenges, we can position ourselves to strive and grow stronger in the midst of diversity.

I take this opportunity to thank the board, the group's management and all employees for embracing the company's direction and make it work and all our shareholders for their continuing support.

Thank you.

G L Sim  
Chairman