



11 June 2015

Market Announcement Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

First investment in Growth Phase Medical Technology Start-up

Further to our announcement on 25 September 2014 we are pleased to announce that the Group's wholly owned subsidiary, Zicom MedTacc Pte Ltd (MedTacc) and SPRING Singapore, will jointly make their first investment of S\$2m in cash into a growth phase start-up Histoindex Pte Ltd (Histoindex) in Singapore.

MedTacc has been appointed a Medtech Accelerator by SPRING Singapore (SPRING), a Government's agency responsible for enterprise development.

As an appointed Medtech Accelerator, SPRING Singapore will co-invest with MedTacc on growth phase medtech start-ups over the next 4 years on 1:1 basis. MedTacc and SPRING have committed S\$15m each making a total available investment pool of S\$30m for such purpose.

SNS Holdings Pte Ltd (SNS), controlled by Mr G L Sim, the Group's Chairman and SPRING Singapore first co-invested in Histoindex under the SPRING'S start-up investment scheme in 2011. Mr Sim's direct and deemed interests in Histoindex amounted to 12.7% of the share capital and SPRING's shareholdings amounted to 11.3%. Mr Sim's interests will be reduced to 10.7% and SPRING's interests will be increased to 17.4% in the enlarged capital. MedTacc's interest in Histoindex will be 7.9%. SPRING has granted options to MedTacc to acquire their investments at cost plus nominal compound interest rates in the event the investments prove commercially viable and value can be unlocked.

The Group's investment in Histoindex aligns with the Group's focus on new technologies as one of its sustainable growth planks. The investment is not expected to have any immediate significant impact to the Group's results. Investment in Histoindex shall come from internal resources and no bank borrowings are employed.

The Group's Chairman, Mr G L Sim is also the Chairman of SNS, MedTacc and Histoindex as well as being an independent director in the SPRING's Board. As an interested party, Mr Sim has refrained from all deliberations and decisions on the Group's investment in Histoindex.

About Histoindex

Histoindex (www.histoindex.com) is state-of-the-art technology focused on imaging and quantitative analysis of unstained liver tissues for liver fibrosis and cancers which can enable personalised treatment. The technology has been validated by more than 2,000 patients in China, Europe and USA and can be expanded to cover multi-organs as part of its technology road map.

In China, liver diseases are estimated to have inflicted more than 100m of its population. Histoindex is setting up a Joint Venture in China with a local Chinese partner experienced in medtech distribution. The Chinese partner has agreed to take up 20% of the JV for S\$2.2m cash. The JV is developing a Liver Cloud to digitize the technology as a platform to integrate the entire

potential Chinese market that is made up of patients, hospitals, healthcare institutions, research institutes, pharmaceutical suppliers and potentially developing it into an on-line transactional medium for the various users.

Histoindex has entered into a growth stage. Its revenue to 30 June 2015 are expected to reach S\$2m. Revenue growth is expected to increase exponentially in the future when the Liver Cloud is ready and its products obtained regulatory approvals for clinical use in hospitals. At present the products are basically used in research and drug evaluation. We expect to achieve the various critical milestones within the next 18 months.

Yours faithfully
Zicom Group Limited



G L Sim
Chairman.