ZICOM GROUP LIMITED

Appendix 4E

ASX Preliminary Final Report

30 June 2015

Name of entity:	**ZICOM GROUP LIMITED**
ABN:	62 009 816 871
Reporting Period:	**Year Ended 30 June 2015**
Previous corresponding period:	Year Ended 30 June 2014

Results for announcement to the market

				2015 S$'000	**2014** S$'000
Revenues from ordinary activities	Up	11%	To	124,586	112,083
Net Profit from ordinary activities after tax attributable to members	Down	40%	To	2,437	4,081
Net Profit for the period attributable to members	Down	40%	To	2,437	4,081

	Amount per security
Interim dividend (unfranked)	A$0.0035
Final dividend (unfranked)	A$0.0035

Record date for determining entitlements to the dividend 20 November 2015

Date the dividend is payable 4 December 2015

Review of Operations

Results
The Group's consolidated revenue for the full year is S$127.12m as compared with S$113.95m in the previous year, an increase of 11.6%. The Group's full year net consolidated profits after tax attributable to members to 30 June 2015 are S$2.44m as compared with S$4.08m in the previous year, a decrease of 40.2%.

The net profit margin achieved for the full year is 2.0% as compared with 3.6% in the previous year, a drop of 1.6%.

Earnings per share dropped from Singapore 1.90 cents to 1.13 cents per share, a decrease of Singapore 0.77 cents.

Net tangible assets per share decreased slightly from Singapore 34.80 cents to 34.45 cents per share as a result of translation loss arising from the depreciation in Australian dollar.

Return on equity, based on average of the opening and closing equity, for the year was 2.7% as compared to 4.6% in 2014.

The average rates for currency translation for transactions and cash flows are A$1 to S$1.0864 (2014: S$1.1521) for the year ended 30 June 2015 and balances A$1 to S$1.0323 (2014: S$1.1739) as at 30 June 2015.

The results for the full year have been affected by cost overruns for the first time in projects undertaken involving new processes by our precision engineering sector; dampened growth in the electronics sector, reduced margin contributions by our construction equipment sector and timing delay in the recognition of oil and gas project revenues.

The less than satisfactory results reflect an increased risk posture that the Group has taken in elevating its various businesses up the value chain. The Group has established a strong engineering team imbued with various cross disciplines and strong manufacturing capabilities. The Board believes that in order for the Group to achieve long term sustainability in an age of dynamic changes globally, its businesses must scale up the value chain so as to remain competitive and relevant. In doing so, the Group has, in recent years, forayed into medical technology and at the same time assumed a higher risk exposure in its ongoing core businesses in participating in higher value projects that come with higher rewards that are equally matched with higher risks.

The Group primarily positions the business for the long term benefit of its shareholders while it also hopes to meet short term expectations. The Group adopts a calibrated approach and has always been measured and prudent in its management of business risks. It ensures that all its investments in technologies that require some gestation periods and projects with higher returns that inevitably come with increased risks are well covered by its internal resources without being exposed to bank borrowings; hence its policy of holding strong cash balances with no bank gearing.

In travelling this journey, the Group's total capabilities continue to be enhanced and strengthened. The Group therefore believes that the short-term setbacks suffered will strengthen the Group to climb up the value chain so as to achieve higher and sustainable returns in the future.

Global economic uncertainties continue to reverberate, underscored by an imbalanced global economy that is compounded by the Greek financial default that may well escalate in the Eurozone, the slowdown in the PRC's economy resulting in a recent Renminbi devaluation and rout in the share market, continuing deflation in Japan and potential increase in interest rates. Although the Group's businesses cannot escape from such global economic impact, its focus therefore is to position and develop businesses and directions that can better withstand the impact from such factors.

Strategic Repositioning
The Group continues to focus in restructuring its businesses in line with global dynamics. It is continuously reviewing its entire business activities and may potentially regroup its activities to unlock values. As a strategy, the Group continues to manage its businesses as a matter of course to maintain stability. The Group adopts no fixed timing to unlock value. It will do so only when the timing is suitable so as to maximise value.

The setbacks in the precision engineering sector represent a component of the journey embarked upon by the Group. The Group therefore remains committed to strengthen the business structure and organisation in this sector. The precision engineering business is critical in our quest to expand our investments into technology companies as it is the engineering and manufacturing support base for these investments. Our investment in technology is aimed to create a new and broader revenue stream for this sector transforming it into one based on product sales, which are recurrent, instead of project sales which are typically more cyclical.

A comparison of the results of the current year with the previous year is as follows:-

Key Financials	Change (%)	12 months ended 30 Jun 15 (S$ million)	12 months ended 30 Jun 14 (S$ million)
Total revenue	+ 11.6	127.12	113.95
Net profits after tax (NPAT) attributable to equity holders of the Parent	- 40.2	2.44	4.08

The Group's cash balances remain strong. As at 30 June 2015, the group's total cash and bank balances were S$24.13m as compared with S$22.33m as at 30 June 2014.

Segmental Revenue
The following is an analysis of the segmental results:-

Revenue by Business Segments	Change (%)	12 months ended 30 Jun 15 (S$ million)	12 months ended 30 Jun 14 (S$ million)
Offshore Marine, Oil & Gas Machinery	+ 7.03	51.46	48.08
Construction Equipment	- 3.04	50.15	51.72
Precision Engineering & Technologies	+ 96.23	22.92	11.68
Industrial & Mobile Hydraulics	- 19.74	2.48	3.09

Offshore Marine, Oil & Gas Machinery
Demand for offshore marine, oil and gas machinery increased by 7.03% in the full year as compared with the previous year.

The continuing softening of the oil price without any visible impetus to drive its recovery in the short term has caused major oil and gas and service support companies to scale down their investments on equipment as well as activities. This scenario is expected to pose considerable challenges in the oil and gas sector for the next financial year.

Following the Group's policy of scaling up its capability that may come with higher risk, the Group, has in the last few years, successfully executed a few offshore projects involving deep seas operations and achieved good profits. The experiences gained have enabled the Group to position itself as being able to supply a full complement of equipment from shallow to deep seas operations. The success has won the loyalty from quality niche customers who are continuing to invest in development, albeit on a reduced scale. The Group is hopeful of sustainable orders.

Our oil and gas sector is currently executing orders of 3 turnkey gas processing plants. The projects are being executed as part of a consortium with a very established PRC state owned petroleum engineering institute. The projects are on track so far and costs are under control. We are hopeful of a successful execution of these projects all of which are expected to be completed within the coming financial year.

We are concurrently working on new projects and are hopeful of securing some of these in the near future.

As at the end of the financial year just ended, total confirmed orders in hand to be delivered in the financial year 2016 for this cluster were S$72.6m.

Construction Equipment

Revenue from sales and rental of construction equipment decreased by 3.04% in the full year as compared with the previous year.

Demand for sales and rental of foundation equipment in Singapore and Malaysia remain healthy due to ongoing construction activities in these markets. However, margins have decreased as there is a surplus of equipment available in the market due to the slackened construction sector.

The weakening of the Australian dollar has dampened profit margin to some extent. Sales of concrete mixers in Thailand have been steady and are expected to remain flat. Although government projects remain slow, demand from the private sector, is however maintained. Demand for concrete mixers in Australia has increased and our business in Australia is expected to improve.

As at the end of the financial year, total confirmed orders in hand to be delivered in the financial year 2016 for this cluster were S$6.4m.

Precision Engineering & Technologies

Precision Engineering

The precision engineering sector experienced a significant increase in revenue of 96.23%. The sector secured significant orders in automation projects from a consumer electronics customer that involved new processes. As these projects involved new processes there is a development component in it which could benefit and enhance the Group's capability for future projects.

The new processes had required more engineering time and special materials not foreseen. As a result the increased direct costs compounded by delays caused the Group to suffer significant cost overruns. This resulted in the projects managing to achieve break-even only on its direct costs.

The major part of the revenue contribution in this sector is derived from our automation engineering and contract manufacturing businesses as our new investments have only just started generating revenue and their contributions are negligible.

Medtech Technology

The Group is focused to continue to grow its existing stable of medtech technology companies.

a) Biobot Surgical Pte Ltd (Biobot)

   Our digital robotic platform for transperineal prostate biopsy has been accepted by several internationally renowned key opinion leaders and hospitals. We are well positioned to commercialise this technology.

   Apart from our Centers of Excellence in hospitals in New York, Tubingen, Germany and Singapore, we have recently set up our first Australian Center of Excellence with the Epworth Hospital at Richmond Victoria. The Epworth group is the largest private cluster in Victoria. We planned to set up 3 to 5 more Centers of Excellence before December in Australia, the UK and Italy.

   We have begun sales in Germany and our commercialisation efforts are expected to gain traction, as our Centers of Excellence are fully activated acting as our local champions and training centers.

b) Curiox Biosystems Pte Ltd (Curiox)

   The Curiox's DropArray technology which has proven to save the cost of development of drug assays by 60% has been fully validated by the top 10 pharmaceutical companies.

   However scalability of demand for our technology has proven more difficult with pharmaceutical companies. The entire process of evaluation initiating from their research units which focus on high value assays with a broad mix of protocols require a long gestation before our technology is adopted for high throughput usage that generates volume.

With endorsement by the pharmaceutical companies we have redirected our immediate efforts to market our technology to Contract Research Organisations (CRO). Although pricing to these CROs is lower, they consume high volume of plates for their assays that involve lesser and standardised mix in protocols. Since then we have successfully secured a 5 years' contract from one of the top 5 global CROs in USA with the potential of expanding into their international network. This success shows good promises for us to gain other CRO accounts.

With the change in focus, we are confident that Curiox is likely to break-even within the next 6 months and work towards profitability. We aim to re-engage with pharmaceutical companies to cater to their more demanding and challenging higher value assays to achieve scalability in the value chain when these "low hanging fruits" prove to be sustainable in generating revenue and a positive cash flow.

c) HistoIndex Pte Ltd (Histo)
During the year the Group co-invested in a tissue imaging company, HistoIndex Pte Ltd, together with SPRING Singapore, a Singapore government agency under an Accelerator Funding Scheme for which the Group has been awarded, HistoIndex has commenced commercialisation to the research sector and is currently collaborating with various world renowned institutions in PRC, Singapore and USA focused on refining their analytic algorithms for liver fibrosis for which numerous scientific papers have been published. The business is potentially geared towards the creation and operation of a web-based pathology platform to assist pathologists in refining and staging liver fibrosis and cancer. We aim to achieve initial applications in this domain within the next 12 months.

<u>Semi-Conductor Equipment Investment</u>

a) Orion Systems Integration Pte Ltd (Orion)
Orion's fine pitch flip chip thermal bonder is used in downstream semi-conductor manufacturing. Due to the dynamics of the industry, the chip industry has been undergoing very rapid changes with different configurations by manufacturers to differentiate from each other causing varying demands on the development of our machine to meet their needs during evaluation.

We have reached a stage where the various demands have been reduced to some common denominators and we are in a position to offer a modular machine that can meet basic needs as well as to accommodate customised needs of the key manufacturers.

We have during the last 6 months appointed an established distributor to handle our distribution for Asia while our team focused on development and after sales service. We are hopeful to secure orders in the coming financial year.

As at the end of the financial year, total confirmed orders in hand to be delivered in the financial year 2016 for this cluster were S$6.3m.

Industrial & Mobile Hydraulics
This sector is made up of supply of hydraulic system drives and hydraulic services in support of our general core business activities in hydraulic engineering. Variation in this segment is not significant.

Foreign Exchange Exposure
The Group generally prices its sales in foreign currencies on forward rates. During the full year, we hedged our rates accordingly to ensure our margins were maintained. The net loss attributable to foreign exchange during the current year is S$0.81m as compared with an exchange loss S$0.48m in the previous year.

Accounting Standards AASB 139 obliges us to fair value our outstanding foreign currency derivatives at the rates ruling on the balance sheet date. There were no outstanding foreign currency derivatives as at 30 June 2015. The imputed unrealised loss in the valuation of these derivatives amounted to S$0.17m as at 30 June 2014.

Financial Position
The Group's financial position remains strong:-

Classification	Increase (+) / Decrease (-) S$ million	As at 30 Jun 15 S$ million	As at 30 Jun 14 S$ million
Net Assets	- 0.02	89.44	89.46
Net Working Capital	+ 0.53	45.62	45.09
Cash in Hand and at Bank	+ 1.80	24.13	22.33

Gearing Ratio
The Group's gearing ratio is 0% at the same ratio as for the year ended 30 June 2014 as cash and cash equivalents exceeded interest-bearing liabilities. Gearing ratio has been arrived at by dividing our interest-bearing liabilities less cash and cash equivalents over total capital.

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

Classification	Decrease Singapore Cents	2015 Singapore Cents	2014 Singapore Cents
Earnings per share	- 0.77	1.13	1.90

The weighted average shares used to compute basic earnings per share are 215,184,912 for this year and 214,881,267 shares for the previous year.

Classification	Decrease Singapore Cents	As at 30 Jun 15 Singapore Cents	As at 30 Jun 14 Singapore Cents
NTA per share	- 0.35	34.45	34.80

NTA per share has dropped due to translation loss arising from the depreciation in Australian dollar.

Capital Expenditure
For the year ending 30 June 2016, the Group plans to invest up to S$1.0m in equipment.

Confirmed Orders
We have a total of S$86.0m (30 June 2014: S$64.8m) outstanding confirmed orders in hand as at 30 June 2015. A breakdown of these outstanding confirmed orders is as follows:-

	S$ m
Offshore Marine, Oil & Gas Machinery	72.6
Construction Equipment	6.4
Precision Engineering & Technologies	6.4
Industrial & Mobile Hydraulics	0.6
Total	86.0

Out of the above outstanding orders, S$85.9m are scheduled for delivery in the financial year 2016 and the balance thereafter. Prospects for ongoing orders continue to be strong.

Prospects
The global economic environment for the year just ended has continued to be one of uncertainty. Although economic growth in the United States appears sustainable, other major economies notably PRC and Japan as well as the Eurozone continue to splutter and showing signs of inertia. The situation will be compounded by the potential winding down of the United States' monetary quantitative easing. The prospects ahead will be challenging.

The Group's resilience positions itself well to address such uncertainties and potential economic deceleration that may arise if the adverse factors converge.

Order prospects for the Group continue to be strong. As such, the Group continues to be confident of a profitable year in 2016.

Dividends

The Group has decided to pay a final dividend of 0.35 Australian cents per share (2014: 0.45 Australian cents) making the full year dividends to 0.70 Australian cent per share (2014: 0.90 Australian cents). This final dividend will be paid out of Conduit Foreign Income under the provision of the Australian Income Tax Act. Accordingly, withholding tax will not apply to non-Australian residents.

The record date for the final dividend will be 20 November 2015 and is payable on 4 December 2015.

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

GL Sim
Chairman

Preliminary Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Note	**2015** S$'000	**2014** S$'000
Revenue from continuing operations	3	124,586	112,083
Other operating income	4	2,530	1,870
Total revenue		127,116	113,953
Cost of materials		(67,660)	(58,895)
Employee, contract labour and related costs		(33,110)	(29,102)
Depreciation and amortisation		(5,762)	(5,211)
Property related expenses		(2,919)	(2,578)
Other operating expenses		(15,678)	(13,166)
Finance costs		(497)	(378)
Share of results of associate		(316)	(739)
Profit before income tax expense		1,174	3,884
Tax benefit	5	797	31
Profit for the year from continuing operations after income tax expense		1,971	3,915
Other comprehensive income:			
- **Items that may be subsequently reclassified to profit and loss**			
Share of other comprehensive income of associate		(31)	–
Foreign currency translation on consolidation		(249)	(515)
Effect of tax on other comprehensive income		–	–
Other comprehensive loss for the period, net of tax		(280)	(515)
Total comprehensive income		1,691	3,400
Profit/(loss) attributable to:			
Equity holders of the Parent		2,437	4,081
Non-controlling interests		(466)	(166)
Profit for the year		1,971	3,915
Total comprehensive income/(loss) attributable to:			
Equity holders of the Parent		2,157	3,566
Non-controlling interests		(466)	(166)
		1,691	3,400
Earnings per share (cents)			
Basic earnings per share	6	1.13	1.90
Diluted earnings per share	6	1.13	1.89

Preliminary Consolidated Balance Sheet

as at 30 June 2015

	Note	2015 S$'000	2014 S$'000
Non-current assets			
Property, plant and equipment		28,669	30,784
Intangible assets		15,197	14,792
Deferred tax assets		3,213	2,418
Convertible loan receivable from an associate	10	–	459
Investment in associates	10	5,015	1,804
Others		1	1
		52,095	50,258
Current assets			
Cash and bank balances	9	24,134	22,328
Inventories		26,411	27,758
Trade and other receivables		29,416	38,601
Convertible loan receivable from an associate	10	459	460
Prepayments		430	626
Tax recoverable		86	–
		80,936	89,773
Less : Current liabilities			
Payables		23,697	30,701
Interest-bearing liabilities		9,915	12,105
Provisions		1,454	966
Provision for taxation		252	336
Unearned income		–	400
Unrealised loss on derivatives		–	173
		35,318	44,681
Net current assets		45,618	45,092
Non-current liabilities			
Interest-bearing liabilities		5,549	2,758
Deferred tax liabilities		2,371	2,745
Provisions		358	390
		8,278	5,893
Net assets		89,435	89,457
Equity attributable to equity holders of the Parent			
Share capital	11	37,862	37,593
Reserves		(1,136)	(703)
Retained earnings		52,211	51,703
		88,937	88,593
Non-controlling interests		498	864
Total equity		89,435	89,457

Preliminary Consolidated Statement of Changes in Equity

for the year end 30 June 2015

	Note	Attributable to equity holders of the Parent							
	Note	**Share capital**	**Share capital – exercise of share options**	**Foreign currency translation reserve**	**Share based payments reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1.7.2013		37,397	226	(957)	706	50,099	87,471	1,016	88,487
Profit for the year		–	–	–	–	4,081	4,081	(166)	3,915
Other comprehensive loss		–	–	(515)	–	–	(515)	–	(515)
Total comprehensive income/(loss) for the year		–	–	(515)	–	4,081	3,566	(166)	3,400
Exercise of employee share options	11	39	21	–	(21)	–	39	–	39
Minimum holding share buy-back	11	(90)	–	–	–	–	(90)	–	(90)
Cost of share-based payments		–	–	–	110	–	110	–	110
Expiry of employee share options		–	–	–	(26)	26	–	–	–
Acquisition of non-controlling interest		–	–	–	–	(11)	(11)	11	–
Change of interest in subsidiary company		–	–	–	–	(3)	(3)	3	–
Dividends paid on ordinary shares	7	–	–	–	–	(2,489)	(2,489)	–	(2,489)
Balance at 30.6.2014		37,346	247	(1,472)	769	51,703	88,593	864	89,457
Profit for the year		–	–	–	–	2,437	2,437	(466)	1,971
Other comprehensive loss		–	–	(280)	–	–	(280)	–	(280)
Total comprehensive income/(loss) for the year		–	–	(280)	–	2,437	2,157	(466)	1,691
Exercise of employee share options	11	107	60	–	(60)	–	107	–	107
Shares issued, net of expenses	11	102	–	–	–	–	102	–	102
Cost of share-based payments		–	–	–	(30)	–	(30)	–	(30)
Expiry of employee share options		–	–	–	(63)	63	–	–	–
Change of interest in subsidiary company		–	–	–	–	(100)	(100)	100	–
Dividends paid on ordinary shares	7	–	–	–	–	(1,892)	(1,892)	–	(1,892)
Balance at 30.6.2015		37,555	307	(1,752)	616	52,211	88,937	498	89,435

Preliminary Consolidated Statement of Cash Flows
for the year ended 30 June 2015

(In Singapore dollars)

	Note	2015 S$'000	2014 S$'000
Operating profit before taxation		1,174	3,884
Adjustments for :			
Depreciation of property, plant and equipment		4,863	4,477
Amortisation of intangible assets		899	734
Bad debts written off		1	16
Allowance for doubtful debts, net		107	5
Allowance for inventory obsolescence		77	123
Inventories written off		8	30
Interest expenses		497	378
Interest income	4	(243)	(179)
Property, plant and equipment written off		32	9
Intangible assets written off		34	5
(Gain)/loss on disposal of property, plant and equipment, net		(53)	13
Gain on disposal of assets held for sale	4	–	(260)
Loss on subsidiary company struck off		15	–
Trade and other payables written back		(647)	(50)
Provisions made, net		750	77
Cost of share-based payments		(29)	102
Share of results of associate		316	739
Unrealised loss on derivatives		–	173
Unrealised exchange difference		64	26
Operating profit before reinvestment in working capital		7,865	10,302
Decrease/(increase) in stocks and work-in-progress		2,130	(4,998)
Decrease in projects-in-progress		6,281	76
Decrease/(increase) in debtors		1,707	(1,287)
(Decrease)/increase in creditors		(11,044)	9,622
Cash generated from operations		6,939	13,715
Interest received		232	179
Interest paid		(489)	(374)
Income taxes paid		(517)	(418)
Net cash generated from operating activities		6,165	13,102

Preliminary Consolidated Statement of Cash Flows (Cont'd)

	Note	2015	2014
		S$'000	S$'000
Cash flows from investing activities :			
Purchase of property, plant and equipment		(2,428)	(2,007)
Proceeds from disposal of property, plant and equipment		125	14
Proceeds from disposal of assets held for sale		–	784
Increase in software development		(203)	(227)
Increase in development expenditure		(1,512)	(2,007)
Increase in patented technology		(85)	(86)
Investment in associates	10	(3,002)	–
Decrease/(increase) in amount due from associate		1,306	(1,140)
Net cash used in investing activities		(5,799)	(4,669)
Cash flows from financing activities :			
Proceeds from/(repayment of) bank borrowings		5,576	(2,956)
Dividends paid on ordinary shares	7	(1,892)	(2,489)
Proceeds from exercise of employee share options		107	39
Payment for minimum holding share buy-back	11	–	(90)
Repayment of hire purchase creditors		(1,920)	(2,250)
Net cash generated from/(used in) financing activities		1,871	(7,746)
Net increase in cash and cash equivalents		2,237	687
Net foreign exchange differences		(169)	(87)
Cash and cash equivalents at beginning of year		21,802	21,202
Cash and cash equivalents at end of year	9	23,870	21,802

Note 1 Summary of significant accounting policies

This preliminary financial report has been prepared in order to comply with ASX *listing rules*.

This 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 this report be read in conjunction with the annual report for the year ended 30 June 2014, the interim financial report for the half-year ended 31 December 2014 and considered together with any public announcements made by Zicom Group Limited during the year ended 30 June 2015 in accordance with the continuous disclosure obligations of the ASX *listing rules*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Note 2 Operating Segments

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:

- Offshore Marine, Oil & Gas Machinery – manufacture and supply of deck machinery, gas metering stations, gas processing plants, offshore structures for underwater robots and related equipment, parts and services.
- Construction Equipment – manufacture and supply of concrete mixers and foundation equipment, including equipment rental, parts and related services.
- Precision Engineering & Technologies – manufacture of precision and automation equipment, medtech equipment and products, medtech translation and engineering services.
- Industrial & Mobile Hydraulics – supply of hydraulic drive systems, parts and services.

Corporate charges

Unallocated expenses comprise mainly non-segmental expenses such as head office expenses which are not allocated to operating segments.

	Offshore Marine, Oil & Gas Machinery S$'000	**Construction Equipment** S$'000	**Precision Engineering & Technologies** S$'000	**Industrial & Mobile Hydraulics** S$'000	**Consolidated** S$'000
For year ended 30 June 2015					
Revenue					
Sales to external customers	50,759	50,008	21,638	2,181	124,586
Other revenue	702	122	1,278	1	2,103
Inter-segment sales	–	15	4	303	322
Total segment revenue	51,461	50,145	22,920	2,485	127,011
Inter-segment elimination					(322)
Unallocated revenue					184
Interest income					243
Total consolidated revenue					127,116
Results					
Segment results	7,557	1,029	(5,366)	590	3,810
Unallocated revenue					184
Unallocated expenses					(2,250)
Share of results of associate					(316)
Profit before tax and finance cost					1,428
Finance costs					(497)
Interest income					243
Profit before taxation					1,174
Income tax benefit					797
Profit after taxation					1,971

	Offshore Marine, Oil & Gas Machinery S$'000	**Construction Equipment** S$'000	**Precision Engineering & Technologies** S$'000	**Industrial & Mobile Hydraulics** S$'000	**Consolidated** S$'000
For year ended 30 June 2014					
Revenue					
Sales to external customers	48,063	51,278	10,634	2,108	112,083
Other revenue	14	444	1,041	3	1,502
Inter-segment sales	–	2	4	978	984
Total segment revenue	48,077	51,724	11,679	3,089	114,569
Inter-segment elimination					(984)
Unallocated revenue					189
Interest income					179
Total consolidated revenue					113,953
Results					
Segment results	6,097	4,810	(4,761)	555	6,701
Unallocated revenue					189
Unallocated expenses					(2,068)
Share of results of associate					(739)
Profit before tax and finance cost					4,083
Finance costs					(378)
Interest income					179
Profit before taxation					3,884
Income tax benefit					31
Profit after taxation					3,915

Note 3 Revenue

	2015	**2014**
	S$'000	S$'000
Sale of goods	75,049	63,923
Rendering of services	5,255	6,614
Rental revenue	3,807	5,927
Revenue recognised on projects	40,475	35,619
	124,586	112,083

Note 4 Other operating income

	2015	**2014**
	S$'000	S$'000
Interest income	243	179
Forfeiture of customer deposit	639	–
Gain on disposal of property, plant and equipment	53	–
Gain on disposal of asset held for resale	–	260
Services rendered	152	261
Government grants	1,351	1,078
Other revenue	92	92
	2,530	1,870

Note 5 Taxation

The major components of income tax expense for the years ended 30 June are:

	2015	**2014**
	S$'000	S$'000
Current income tax		
Current income tax charge	1,575	1,065
Loss transferred under Group Relief Scheme	(1,478)	(736)
Adjustments in respect of previous years	250	(6)
Deferred income tax		
Relating to the origination and reversal of temporary differences	(1,331)	(496)
Adjustments in respect of previous years	187	142
Income tax benefit	(797)	(31)

Note 6 Earnings per share

Earnings per share are calculated by dividing the Group's net profit attributable to equity holders of the Parent by the weighted average number of shares in issue during the year.

(a) Earnings used in calculating basic and diluted earnings per share

	2015	**2014**
	S$'000	S$'000
Net profit attributable to equity holders of the Parent	2,437	4,081

	No. of shares (Thousands)	
(b) Weighted average number of shares for basic earnings per share	215,185	214,881
Effect of dilution:		
Share options	1,079	1,268
Adjusted weighted average number of shares	216,264	216,149

	Singapore cents	
(c) Earnings per share		
Basic	1.13	1.90
Diluted	1.13	1.89

Note 7 Dividends paid and proposed

	2015	**2014**
	S$'000	S$'000
(a) Dividends per share paid or provided for		
Final unfranked dividend for 2014 : 0.45 Australian cents	1,090	–
Interim unfranked dividend for 2015 : 0.35 Australian cents	802	–
Final unfranked dividend for 2013 : 0.55 Australian cents	–	1,377
Interim unfranked dividend for 2014 : 0.45 Australian cents	–	1,112
	1,892	2,489
(b) Dividends declared per share		
Final unfranked dividend for 2015 : 0.35 Australian cents	750	–
Final unfranked dividend for 2014 : 0.45 Australian cents	–	1,115
	750	1,115

The final dividends for financial year ended 30 June 2015 were approved by the Board on 26 August 2015. These amounts have not been recognised as a liability in the financial statements for the current year. They will be accounted for in the next financial year.

Note 8 Net tangible assets per security

	2015	**2014**
Net tangible asset backing per ordinary share (Singapore cents)	34.45	34.80

Note 9 Cash and cash equivalents

	2015 S$'000	2014 S$'000
Cash at bank and in hand	23,108	18,895
Short-term fixed deposits	1,026	3,433
	24,134	22,328

For the purpose of the cash flow statement, cash and cash equivalents comprised the following:

	2015 S$'000	2014 S$'000
Cash and short-term deposits	24,134	22,328
Bank overdrafts	(264)	(526)
Cash and cash equivalents	23,870	21,802

Note 10 Investment in associates

(a) Investment details

	2015 S$'000	2014 S$'000
Curiox Biosystems Pte Ltd	4,515	1,804
HistoIndex Pte Ltd	500	–
	5,015	1,804

(b) Movements in the carrying amount of the Group's investment in an associate

(i) Curiox Biosystems Pte Ltd ("Curiox")
Shareholdings held: 68.55% (2014: 46.49%)

	2015 S$'000	2014 S$'000
At beginning of year	1,804	2,578
Additional investment	3,051	–
Share of losses after income tax	(316)	(739)
Share of other comprehensive income	(31)	–
Unrealised profits	7	(35)
At end of year	4,515	1,804

On 18 January 2013, Curiox issued 919,000 convertible loan stocks with cumulative interest at 5% per annum to Zicom Holdings Pte Ltd ("ZHPL") for a cash consideration of S$919,000. These will be either repaid or redeemed by Curiox equally on 2 maturity dates, 31 December 2014 and 31 December 2015. ZHPL holds the right to convert these into preference shares in Curiox on these 2 maturity dates.

On 31 December 2014, 460,000 of the convertible loan stocks included in current assets as at 30 June 2014 with cumulative interest of S$89,000 have been fully converted into 110,000 preference shares, fully paid at $5 per share. This has resulted in an increase in the Group's interest in Curiox from 46.49% to 49.28%.

The remaining convertible loan stocks amounting to S$459,000 due for conversion or repayment on 31 December 2015 has accordingly been reclassified from non-current assets on the balance sheet to current assets.

Note 10 Investment in associates (cont'd)

(i) Curiox Biosystems Pte Ltd ("Curiox") (cont'd)

On 28 April 2015, 1,251,000 preference shares attached with 1 warrant for every 4 shares issued were allotted to ZHPL pursuant to the non-renounceable rights issue of Curiox for a cash consideration of S$2,502,000. Each warrants entitles ZHPL to subscribe for 1 preference share in Curiox at S$2.00 by 31 December 2015. As a result of this allotment, the Group's interest in Curiox increased to 68.55%.

Although ZHPL holds the majority of voting rights in Curiox, it does not have the power and practical ability to direct the relevant activities of Curiox unilaterally and hence, Curiox remains an associate of the Group as at 30 June 2015.

(ii) HistoIndex Pte Ltd ("Histo")
On 8 June 2015, Zicom MedTacc Private Limited ("MedTacc"), a wholly-owned subsidiary of ZHPL and an appointed Sector Specific Accelerator by Spring Singapore ("SPRING"), has acquired 4.1% equity interest in HistoIndex Pte Ltd for a cash consideration of S$500,000. MedTacc is committed to inject additional S$500,000 by 31 December 2015.

As part of the Accelerator Funding Scheme, SPRING co-invested with MedTacc on 1:1 basis and will grant call options to MedTacc to acquire their investments at nominal annual compounding interest.

Although the Group holds less than 20% of equity interest, the Group has the ability to exercise significant influence through both its shareholdings and the Chairman's active participation on HistoIndex Board of Directors.

Note 11 Share capital

(a) *Share capital*

	2015 No. of shares (Thousands)	**2014** No. of shares (Thousands)	**2015** S$'000	**2014** S$'000
Ordinary fully paid shares	215,522	214,547	37,862	37,593

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.

(b) *Movements in ordinary share capital*

		Company **Number of shares** (Thousands)	**Group** S$'000
At 1 July 2013		214,752	37,623
Issue of shares under Zicom Employee Share and Option Plan	*(i)*	195	60
Minimum holding share buy-back	*(ii)*	(400)	(90)
At 30 June 2014		214,547	37,593
Issue of shares under Zicom Employee Share and Option Plan	*(i)*	555	167
Issue of shares in lieu of cash performance bonus	*(iii)*	420	102
At 30 June 2015		215,522	37,862

Note 11 Share capital (cont'd)

(b) *Movements in ordinary share capital (cont'd)*

(i) Issue of shares under Zicom Employee Share and Option Plan ("ZESOP")
On 1 October 2013, the Company issued and allotted 155,000 and 40,000 ordinary shares, fully paid at A$0.17 and A$0.18 per share respectively, under the ZESOP. Such shares ranked *pari passu* with the existing ordinary shares of the Company.

On 1 October 2014, 7 November 2014 and 17 March 2015, the Company issued and allotted a total of 250,000 and 305,000 ordinary shares fully paid at A$0.18 and A$0.17 per share respectively, under the ZESOP. Such shares ranked pari passu with the existing ordinary shares of the Company.

(ii) Minimum holding share buy-back
The Company completed a share buy-back exercise for holders of unmarketable parcels. A total of 399,367 ordinary shares were bought back by the Company at A$0.192 per share and cancelled.

(iii) Issue of shares in lieu of cash performance bonus
Pursuant to the shareholders' meeting held on 3 November 2014, 419,317 shares were allotted to Mr Giok Lak Sim fully paid at A$0.22 per share as part payment of his performance bonus for the year ended 30 June 2014. Such shares ranked *pari passu* with the existing ordinary shares of the Company.

Note 12 Subsequent events

No event has arisen subsequent to 30 June 2015 to the date of this report which may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the future.

This Report is based on accounts to which one of the following applies.

☐	The accounts have been audited	☐	The accounts have been subject to review
✔	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed**.**

Signed …………………………………… **Date:** 26 August 2015
(Director/ Company Secretary)