



Zicom Group Limited

ABN 62 009 816 871

38 Goodman Place, Murarie, 4172. PO Box 220, Cannon Hill, Queensland 4170 • Tel: (07) 3908 6088 • Fax: (07) 3390 6898

17 November 2015

ASX Market announcements

Could you please lodge this Chairman address on our behalf before 10.00 am this morning as our scanner is not working.

Regards

Surendra
Joint Company Secretary

0404 057819



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17 November 2015

Dear Shareholders,

Since our Annual Report 2015, the global macro-economic factors have not improved. The imbalanced economic developments have on one hand a strengthening US economy and on the other hand a flat or deflationary economy in the rest of the world.

The impending USA's interest rate increase by the end of the year is expected to be met with monetary easing in the rest of the world aiming to boost consumption to drive growth. Hence most currencies are foreseen to weaken against the US\$ increasing the debt burden for those who have borrowed in US\$. Slump in commodity prices, in particular energy prices, is expected to continue for at least next 6-12 months.

Global economic uncertainties are likely to be further compounded. Businesses in general will inevitably be impacted by these macro-economic factors. We are no exception.

The dynamic changes to the global economy during the last decade have shown that innovation remains the key to sustainable business growth. The Group took cognizance of this and has embarked on this journey knowing it to be tenuous but necessary.

We have undergone some painful gestation. This has impacted on our results for the last few years. The benefits of this direction are gradually emerging. Our progressive innovation approach in our established core businesses has enabled us to strengthen our capabilities so as to remain relevant and resilient in the respective industrial sector that has become increasingly competitive.

Our medtech investments have begun to realise their potentials. We have successfully installed our first surgical robot in Australia at the Epworth Hospital, Victoria and since then several procedures have been successfully carried out. This follows our successful penetration of the German market, as our first leg to the EU, in the last 6 months. Commercialisation efforts for the surgical robot are gaining traction in both the EU and Australia. Our drug development technology is gaining acceptance and traction in the pharmaceutical industry in enhancing efficiency and creating cost savings in assay preparation and is generating revenue from this sector.

During the year we invested in a growth company in liver scanning and imaging technology as part of our medtech accelerator investments. We aim to expand our portfolio in related growth technologies. It is our plan to consolidate these investments to unlock their potentials at an appropriate time to maximise their full value for shareholders. Progressive innovation has become one of the main veins of our core businesses.

As at 31 October 2015, our total orders in hand have increased to S\$90.6m of which S\$80.7m are scheduled for delivery in this financial year ending 30 June 2016. Your Board is confident that our two-pronged approach in progressive and disruptive innovations will underscore our sustainable growth.

We thank our shareholders for their forbearance.

G L Sim

Chairman - 17 Nov 2015