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Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

In the Chairman's message in our previous annual report, the Group advised that it would adopt a strategy of investing in sustainable activities to enhance shareholders' value in the long term. Biomedical devices, as mentioned in the message were identified as a potential sustainable investment that we aim to focus on.

Pursuant to this strategy, the Group is pleased to announce that it has decided to invest in the following potential break-through inventions through its wholly owned subsidiary, Zicom Holdings Pte Ltd :-

1 Surgery Robotics

The Group has entered into an agreement to invest directly in 33.33% in the share capital of BioBot Surgical Pte Ltd (BioBot), a Singapore start-up company specialised in the research and development, manufacturing and supply of minimally-invasive surgical robotics. The Group has, in addition, entered into an agreement with the Executor of the estate of one of the co-founders, subject to grant of probate, to purchase further shares in the company equivalent to 13.33% of the enlarged capital of S\$9m eventually raising the Group's shares to 46.66% of the enlarged capital.

BioBot was founded by two Singapore scientists who have been engaged in the research and development of surgery robotics for more than a decade, culminating in a joint collaboration in 2004 between the Nanyang Technological University (NTU) and the Singapore General Hospital (SGH), the largest state-owned hospital in Singapore to produce a surgical robot for prostate biopsy, for clinical test. The unit has undergone 2.5 years of successful clinical tests and is ready for commercial production. The robot has enabled the surgeons to obtain biopsy samples with an accuracy rate of 1.5mm as compared with an accuracy rate of about 10mm generally encountered with traditional procedures. Biopsy samples of up to 40 or more can be obtained in a single operation with only 2 perforations through the skin as compared with about 10-15 samples generally possible in a traditional procedure, that requires as many perforations through the skin as the number of samples are extracted.

BioBot plans to exhibit its unit at the American Urological Annual General Meeting in San Francisco end May 2010.

BioBot has applied for regulatory approval in Singapore which it expects to obtain within 6 months. It is currently developing alliances with university hospitals in USA and Europe to position itself to apply for regulatory approvals in these countries.

Surgery robotics is in its infancy stage of take-off. The advancement in information technology has, in the past decade, enabled huge advancements in the development of such robotics that assist surgeons to achieve increased accuracy in surgery. Demand for surgery robotics has been gaining traction and has the potentials for exponential growth.

Due to the unfortunate demise of one of the co-founders of BioBot in November 2009, completion date of our investments will be deferred until probate is granted. This is expected to occur within 3 months.

2 Molecular Genetic Analyzers

The Group has also signed two Terms Sheets to invest in two other new start-ups, Genevo Biosystems Pte Ltd (Genevo) and BiFluidics Diagnostics Pte Ltd (BiFluidics) in the development and commercialisation of an invention that is capable of carrying out an integrated parallel gene testing for early diagnostic of diseases.

The invention is a result of a research and development by a Singapore scientist attached with the Nanyang Technological University in collaboration with other local scientists involved in cancer research and biomedical science in Singapore over the last 8 years.

This invention will be developed, produced and marketed by two separate companies, in joint venture with the scientist. Genevo will target hospitals and the health care industry in general and BiFluidics will target research institutes and the health care market as complements to existing units in laboratories.

Compared with existing devices in the market, the invention has the potentials of a break-through in genetic analysis and early detection of diseases.

According to a report by Kalorama Information : Molecular Diagnostics : Major World Markets, the average annual growth rate of molecular diagnostics in the world is expected to be more than 41% and the market is expected to grow to US\$92 billion by 2016.

The group will take 60% shares in Genevo and 40% in BiFluidics.

The inventions have satisfactorily passed feasibility tests. The investments in Genevo and BiFluidics will initially be employed to develop the units for clinical tests and regulatory approval. We expect to be able to market our products for research purpose after 12 months followed by full commercialisation in 15-24 months.

Legal agreements on both Genevo and BiFluidics are expected to be completed before mid March 2010.

3 Financial Impact

The total investments to the Group will amount to S\$9m to be phased over a period of 30 months. All these will be internally funded.

The inventors are scientists of proven calibre who have devoted several years of research efforts into their inventions all of which were fully funded by the Singapore government.

Our wholly owned subsidiary, Sysmac Automation Engineering Pte Ltd (Sysmac) which has considerable experiences in manufacturing components for medical devices for European and American manufacturers has recently been accredited with ISO13485 qualifying them to make full units of medical devices. The products of BioBot, Genevo and BiFluidics will be manufactured by Sysmac.

These investments are aimed for long term sustainable revenue and growth. We do not expect any immediate impact on the Group results from these investments until the financial year ending 2012.

Yours faithfully
Zicom Group Limited



G L Sim
Chairman