



21 July 2014

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

Dear Sir,

PROFIT WARNING FULL YEAR 2014

Based on draft consolidated accounts subject to final audit, the Group wishes to advise that it expects its consolidated net profits after tax for the full year ended 30 June 2014 to fall within the range of S\$3.4m to S\$4.0m.

2. The results for the financial year just ended are expected to be as follows:-

- a) Consolidated Revenue
Consolidated revenue is expected to be S\$112m compared with S\$119m in the previous year.
- b) Consolidated Profits after tax
Consolidated profits after tax are expected to be between S\$3.4m to S\$4.0m compared with S\$6.9m in the previous year.
- c) Confirmed Orders
Confirmed Orders in hand as at 30 June 2014 stood at S\$65m (2013: S\$56m).

3. The results have been affected by:-

- a) Unexpected delays in some significant projects due to engineering changes
- b) The recovery of the electronic sector gained traction that benefitted our precision engineering only towards the end of the financial year just ended
- c) The momentum in the start-ups' commercialisation is gaining traction but at a slower pace than expected
- d) On-going restructuring changes

4. Cash and Bank Balances

The Group's cash position remains strong. As at 30 June 2014, the total of the Group's cash and bank balances amounted to S\$22.32m (2013: S\$21.36m). Gearing ratio remains at 0.

5. Prospects & Restructuring

The Group's prospects remain strong. As announced in the previous year's annual report, the Group has been carrying out a restructuring of its business to position it to achieve sustainable growth. Progress is being made. Timely announcements will be released where necessary.

Yours faithfully
Zicom Group Limited

G L Sim
Chairman