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Zicom Group Limited is a company limited by shares, incorporated and domiciled in Australia.
Its registered office and principal place of business is:

Zicom Group Limited
38 Goodman Place
Murarrie, QLD 4172
Australia

“Our greatest glory is not in never falling, but in rising every time we fall” - Confucius 551-479 BC

Almost a decade ago, strong signs of geopolitical tensions exploding into conflicts between the West and Asia emerged. Since then, the world has experienced further adversities: the Covid-19 pandemic, the Ukraine war, the Red Sea turmoil, the Gaza war, the Iranian bombing and other associated skirmishes. The recent trade war between USA and the world arising from high tariffs endangers global free trade and accelerates global currency realignment. Inflation has compounded the situation. None of these factors appears to be easing any time soon. The uncertainties are unprecedented and may lead to stagflation or recession.

The Group's journey has not escaped from these economic challenges and volatilities. In addition, prolonged gestation costs in pursuit of new directions have adversely impacted its performance in the last few years.

The Group took cognizance of the changing global landscape at the outset and has embarked on new directions. These include new focus on the technological pathway including healthcare and green energy and improvements in its operational structure and processes to achieve a sustainable future. Leadership renewal has been put in place to ensure the management is relevant to the continuously evolving global landscape.

The great wise Sage, Confucius, once said that “Our greatest glory is not in never falling, but in rising every time we fall (Confucius 551-479 BC)”. This is resilience, ethos that the Group embraces and practises.

Tenacity and patience are part of our hallmarks in resilience. To this end, the Group believes that it has, through its resilience, emerged stronger from the unprecedented challenges. The Group remains steadfast to address the ongoing challenges which we believe are likely to intensify and worsen. We will continue to innovate and undertake bold changes and processes including establishing cross-country talent pool as part of its new directions to achieve a sustainable future. Financial prudence remains a key plank of our Group's policy.

The Group's results and its transformation could not have been achieved if not for the strong commitment, dedication, tenacity and support of fellow Board members, the management teams and all employees of the Group. I take great pleasure to express my gratitude to all of them for the Group's achievements.

I also thank all the shareholders for their forbearance and support. My Board and our management look forward to delivering sustainable outcome for the Group to enhance shareholder value and returns in the years to come.



G L Sim
Chairman

Giok Lak Sim, FCPA
Executive Chairman, Age 79

Experience and Expertise

Appointed to the Board on 5 April 1995. Chairman and Managing Director of Zicom Group Limited till 31 December 2018. From 1 January 2019, stepped down as Managing Director and remains as Executive Chairman of Zicom Group Limited and all its subsidiaries. Mr Sim was a board member of SPRING Singapore, a government agency for enterprise development, for 4 years until 2018 and a member of the Strategic Advisory Panel of Diagnostics Development Hub, A*Star for 5 years until 2019. He was also a former member of the Board of Governors, UOB-SMU Asian Enterprise Institute. Experienced in public accounting, corporate development, strategic management as well as international trade.

Member of Incubator Advisory Board, Singapore Eye Research Institute/ Singapore National Eye Centre
Singapore Ernst & Young Entrepreneur of the Year (Industrial Products), 2008

Other current directorships and former directorships in last 3 years

None

Special responsibilities

Member of Nomination and Remuneration Committee
Executive Chairman of all subsidiaries

Relevant interests in shares and options as at date of signing the Directors' Report

108,507,663 ordinary shares

Kok Yew Sim, BSc
Executive Director and Group Chief Executive Officer, Age 45

Experience and expertise

Made an Executive Director on 25 September 2014 and promoted to Group Chief Executive Officer on 1 January 2019. For many years as the Chief Executive Officer of Sys-Mac Automation Engineering Pte. Ltd. (Sys-Mac), Mr Kok Yew Sim has been instrumental in Sys-Mac Group's growth journey, focusing on providing customised automation solutions, building capabilities and market penetration. As the Group CEO, he is focused on transforming the Group's existing core businesses to unlock new potential and maximise growth in a digitalised and highly competitive marketplace. He is involved directly in the ongoing transformation of the marine equipment sector to embrace green and clean energy applications.

Mr Sim graduated with a Bachelor's degree in Electrical and Electronics Engineering from the University of Michigan, Ann Arbor, USA (Summa Cum Laude). He is the second son of the Executive Chairman, Mr G L Sim and director of SNS Holdings Pte. Ltd., a substantial shareholder.

Other current directorships and former directorships in last 3 years

None

Special responsibilities

Director and Group CEO of Zicom Holdings Private Limited
Director and CEO of Sys-Mac Automation Engineering Pte. Ltd. and its subsidiaries
Managing Director of Zicom Private Limited
Director of Zicom Cescio Engineering Co., Ltd.
Director of Cescio Australia Limited and subsidiary
Director of Emage Vision Pte. Ltd.

Relevant interests in shares and options as at date of signing the Directors' Report

1,350,253 ordinary shares

Board of Directors

Lim Bee Chun, Jenny, FCCA

Executive Director and Joint Company Secretary, Age 52

Experience and expertise

Appointed to the Board on 13 November 2019, Ms Jenny Lim has been the Group's Financial Controller since 2005. She is responsible for accounting, finance, tax and corporate secretarial matters of the Group. Ms Lim assumed the role of Joint Company Secretary since 6 June 2008. Before joining the Group, she was with an international public accounting firm for more than 10 years specialising in audit and tax. She is a Fellow of the Association of Chartered Certified Accountants.

Other current directorships and former directorships in last 3 years

None

Special responsibilities

Director and Company Secretary of Zicom Holdings Private Limited

Director of Zicom Private Limited

Director of Zicom Cescio Engineering Co., Ltd.

Relevant interests in shares and options as at date of signing the Directors' Report

944,563 ordinary shares

Yian Poh Lim, BSc, MSc

Non-Executive and Independent Director, Age 79

Experience and expertise

Appointed to the Board on 24 July 2006. Mr Yian Poh Lim has more than 20 years of extensive experience in the banking and finance industry and is currently the managing director of Yian Poh Associates, a financial consultancy and investment firm. Mr Lim has built an extensive network of contacts, both in Singapore and in the region. Since 2000, he has been an Honorary Commercial Advisor to The Administrative Committee of Jiaying Economic Development Zone, China. Mr Lim holds a Bachelor of Science degree from Nanyang University, Singapore and a Master of Science degree from the University of Hull, England. In 1985, he completed the Stanford-NUS Executive Program offered by Stanford University and National University of Singapore and in 1990, the Senior Management Development Program organised by Harvard Business School Alumni Club of Malaysia.

Other current directorships and former directorships in last 3 years

Independent Director of ECON Healthcare (Asia) Limited (22 March 2021 to 31 July 2025)

Independent Director of Casa Holdings Limited (4 November 2008 to 10 March 2022)

Lead Independent Director of TTJ Holdings Limited (5 July 1996 to 1 September 2022)

Special responsibilities

Chairman of Nomination and Remuneration Committee

Member of Audit Committee

Non-Executive Director of Zicom Holdings Private Limited

Relevant interests in shares and options as at date of signing the Directors' Report

1,038,000 ordinary shares

Board of Directors

Renny Yeo Ah Kiang, PBM, BBM

Non-Executive and Independent Director, Age 75

Experience and expertise

Appointed to the Board on 13 November 2019, Mr Yeo has a distinguished career. He brings with him more than 40 years of working experience in the field of shipbuilding/repair, electrical engineering and cable industries. He formerly held seats on various government boards and committees. He was a board member of SPRING Singapore, a government agency for enterprise development, for 5 years and later, when the agency merged with IE Singapore, an agency that promotes international trade, and became Enterprise Singapore, he was a board member for 2 years until 2020. Mr Yeo holds a Higher National Diploma (HND) in Electrical and Electronic Engineering from Southampton College of Technology, UK and a Master in Management (MBA) with High Distinction from the Asia Institute of Management, Philippines. Mr Yeo was conferred the Public Service Star (BBM) in 2018 and the Public Service Medal (PBM) in 2000 by the President of the Republic of Singapore.

SPRING Singapore Distinguished Partner Award, 2011

SISIR Standards Council Distinguished Award, 1994

Other current directorships and former directorships in last 3 years

Independent Director of Tai Sin Electric Limited (appointed on 1 July 2018)

Special responsibilities

Member of Nomination and Remuneration Committee

Member of Audit Committee

Non-Executive Director of Zicom Holdings Private Limited

Relevant interests in shares and options as at date of signing the Directors' Report

NIL

Stewart James Douglas, BBus, CA ANZ, GAICD

Non-Executive and Independent Director, Age 54

Experience and expertise

Appointed to the Board on 13 November 2019, Mr Douglas is an Audit Partner/Director at Bentleys Queensland, an Australian national firm of public accountants. He has over 20 years of audit and professional experience in London, Singapore and Brisbane. Mr Douglas possesses expert technical knowledge across all facets of audit and assurance and across a broad range of sectors. He also brings along extensive internal audit experience and has been responsible for a large number of internal audits including internal control and governance reviews. Mr Douglas holds a Bachelor of Business degree from Queensland University of Technology and is a member of the Chartered Accountants Australia and New Zealand and a Graduate of the Australian Institute of Company Directors. He is also the Chairman of the Bentleys National Management Board.

Other current directorships and former directorships in last 3 years

None

Special responsibilities

Chairman of Audit Committee

Relevant interests in shares and options as at date of signing the Directors' Report

NIL

Dean Tai Chi-Shang, PhD

Non-Executive and Independent Director, Age 47

Experience and expertise

Appointed to the Board on 30 November 2020, Dr Dean Tai is a founder, chief scientific officer (CSO) and director of HistoIndex Pte. Ltd. (“HistoIndex”). HistoIndex is a medical technology company providing optical medical imaging systems and services to aid pathologists in diagnostics, clinical trials and research studies for the assessment and staging of liver diseases. Dr Dean Tai brings with him many years of board experiences, global marketing exposure and collaborations in addition to his strong attributes in innovation, research and development. Dr Dean Tai earned both his Bachelor of Technology (with First Class Honours) and PhD in Biomedical Engineering from the University of Auckland, New Zealand.

Other current directorships and former directorships in last 3 years

None

Special responsibilities

None

Relevant interests in shares and options as at date of signing the Directors’ Report

NIL

Kok Hwee Sim, BSc, MSc

Alternate Director to Mr Giok Lak Sim, Age 47

Experience and expertise

Mr Kok Hwee Sim was appointed to the Board on 21 November 2007. Pursuant to the demerger of the medical technology businesses from the Group, he stepped down as an executive director and remained on the Board as a non-executive director for 2 years before stepping down to focus on the medical technology businesses. On 30 November 2020, he was appointed as Alternate Director to Mr Giok Lak Sim.

Mr Kok Hwee Sim has extensive experience in corporate and general management, engineering, treasury management, mergers and acquisitions and strategic partnerships. Mr Sim graduated with a Bachelor of Science Degree in Industrial Engineering and Operations Research from the University of Michigan, Ann Arbor, USA (Magna Cum Laude) and Master of Science Degree in Financial Engineering from Columbia University, New York, USA. He is the eldest son of the Executive Chairman, Mr G L Sim and director of SNS Holdings Pte. Ltd., a substantial shareholder.

Member of Singhealth Technology Incubator Investment Committee
Enterprise Singapore POV Grant Panel Member

Other current directorships and former directorships in last 3 years

Curiox Biosystems Co. Ltd. (9 July 2019 to 1 April 2025)

Special responsibilities

Non-Executive Director of Zicom Holdings Private Limited

Relevant interests in shares and options as at date of signing the Directors’ Report

1,538,180 ordinary shares

Zicom Group Limited

Joint Company Secretary

Gary Alfred Webster
Joint Company Secretary, Age 62

Experience and expertise

Mr Gary Webster joined Cesco Australia Limited in 2000 and was promoted to the position of managing director in 2012. He holds a Diploma in Management and is experienced in operations management. Mr Webster who is very familiar with the Group's operations will serve as an interim company secretary until a full-time appointment is made.

Other current directorships and former directorships in last 3 years

None

Special responsibilities

Managing Director of Cesco Australia Limited
Managing Director of Cesco Equipment Pty Ltd

Relevant interests in shares and options as at date of signing the Directors' Report

NIL

Your directors present their report on Zicom Group Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “consolidated entity”) for the year ended 30 June 2025.

Directors

The following persons were directors of Zicom Group Limited during the financial year and up to the date of this report. Unless otherwise stated, the directors were in office for entire period.

Mr G L Sim	(Executive Chairman)
Mr K Y Sim	(Executive Director, Group CEO)
Ms Jenny Lim	(Executive Director)
Mr Y P Lim	(Non-Executive and Independent Director)
Mr S J Douglas	(Non-Executive and Independent Director)
Mr Renny Yeo	(Non-Executive and Independent Director)
Dr Dean Tai	(Non-Executive and Independent Director)
Mr K H Sim	(Alternate Director to Mr Giok Lak Sim)

Details of Directors' qualifications, experience, other current directorship and responsibilities are included in the “Board of Directors” section within the annual report.

Principal Activities

The Group's principal activities comprise engineering, procurement and construction of gas processing plants and compressor stations, design and supply of deck machinery, LNG propulsion systems, manufacturing of foundation equipment and concrete mixers, rental of foundation equipment, contract manufacturing of medical devices and full turnkey equipment, factory automation solutions and related parts and services.

Consolidated Results

The Group recorded the following consolidated results during the year as compared with those of previous year:

Key Financials	Change (%)	Year ended 30 June 25 (\$ million)	Year ended 30 June 24 (\$ million)
Total consolidated revenue	+ 3.20	135.77	131.56
Net profit after tax attributable to equity holders of the Parent	+17.07	7.75	6.62

The Group's cash and bank balances as at 30 June 2025 remained healthy at S\$21.02m (30 June 2024: S\$19.36m).

The Group's gearing ratio which has been arrived at by dividing interest-bearing liabilities less cash and cash balances over capital has decreased from 37.75% as at 30 June 2024 to 10.39% as at 30 June 2025. Both gearing ratio and cash and bank balances are non-IFRS measures.

Dividends & Share Buy-Back

The USA's trade war against the world has, in the last 6 months, exacerbated volatility in the global economic situation that shows no sign of any early resolution among the major countries. Major countries have resorted to countermeasures. The outcome is not possible to forecast. The risk of a global economic crisis slowing down the global economy and giving rise to a recession or possibly depression is high.

In the circumstances, the Group has decided to adopt a financially prudent and cautionary position. It has, and will continue, to focus to pare down its debts to strengthen its financial resilience. History has proven that in a financial crisis, fixed assets will deteriorate in value, businesses will shrink, and credit availability rapidly decreases as banks become restrained in their lending.

Henceforth, the Group has decided to conserve cash as a primary policy, to strengthen its working capital for projects in the pipeline to position itself against any potential global economic crisis. Payment of dividends will be held back until the global economic situation becomes clearer and more definitive.

The Group will, however, as part of capital management, continue to review its share buy-back policy as and when the situation justifies it.

Review of Operations

The Group's consolidated revenue for the full year was S\$135.77m as compared with S\$131.56m in the previous year, an increase of 3.20%. The Group's full year net consolidated profit after tax attributable to members to 30 June 2025 was S\$7.75m as compared with S\$6.62m in the previous year, an improvement of 17.07%.

Earnings per share for the year was Singapore 3.61 cents as compared to Singapore 3.08 cents in the previous year, an increase of Singapore 0.53 cents per share. Net tangible assets per share increased from Singapore 20.88 cents to Singapore 25.25 cents.

Global free trade has metamorphosed into a historically unprecedented and unpredictable protectionist situation that continues to worsen. The tariff war launched by the present USA administration against the entire world is changing the established norms, potentially leading to stagflation.

Through a combination of restructuring efforts, innovative changes in management processes and direction and financial prudence, the Group has overcome its setbacks and delivered two successive years of profitability. The Group's ethos is best described by the great Sage's teaching that "Our greatest glory is not in never falling, but in rising every time we fall" - Confucius 551-479 BC.

The Group's outlook for the next financial year is expected to remain positive. However, the outlook beyond that is hazy. The deteriorating global situation is more likely to give rise to stagflation and may well lead to increased business failures and loan defaults. Bank credit and loan finance are expected to become very discriminatory.

Recognising the potential precarious situation, during the year, the Group pared down S\$11.28m of its interest-bearing loans, reducing them to S\$21.48m. Gearing ratio has been reduced from 37.75% to 10.39%. Mortgage on a property was lifted.

The Group paid interest amounting to S\$2.20m and S\$2.09m in the financial years 2024 and 2025 respectively. The Group is committed to continue paring down its debts and lifting the mortgages on the remaining properties where appropriate. These measures are aimed not only at reducing interest costs, but to strengthen the Group's financial resilience against any potential global financial crisis.

The results for the year just ended reflect almost a broad base recovery in all the Group's segments. At this stage the Group expects the trend to be sustained next year. However, the world has become totally polarized. Rapprochement among the major countries has so far been elusive leading to uncertainties and volatility. As a matter of prudence, the Group decides to position itself for the hazy outlook ahead.

The marine offshore segment has been in a slump for almost 9 years. A slow recovery first emerged about 3 years ago. In the last 12 months, the Group saw a more tangible recovery. Gas processing turnkey projects continue to be in strong demand. Post Covid construction activities, variably impacted by ensuing geopolitical uncertainties, local political changes and financing limitations, initially slowed down but have appeared to recover and are gaining traction. Inflationary environment, compounded by shortage of skills and workers, and increased digitisation have led to increased demand for automation services.

Segmental Revenue

The following is an analysis of the segmental revenue: -

Revenue by Business Segments	Change (%)	Year ended 30 June 25 (\$ million)	Year ended 30 June 24 (\$ million)
Green Energy, Gas & Marine Equipment	+ 14.15	72.28	63.32
Construction Equipment	- 14.86	33.86	39.77
Precision Engineering & Technologies	+ 3.86	29.34	28.25

Green Energy, Gas & Marine Equipment

The demand landscape for green and renewable energy and hence, LNG propulsion systems, appear convoluted. Advocates of green and renewable energy have motivated significant investments in this area in the past decade but irresolute political will compounded by the new USA administration's policy of de-emphasising green and renewal energy have created a dampening effect. Accordingly new investments in this area are expected to slow down.

3 years ago, green shoots of recovery in the demand for offshore supply vessels for oil exploration and production first emerged. The recovery gained gradual traction in the last 18 months and strengthened in the last 12 months. To a certain extent the USA administration in de-emphasising renewable energy lends credence to continuous demand for fossil fuel. Recovery in demand for deck machinery has been slow initially due to lack of strong financial support from bankers waiting to be assured of a sustainable trend. Confidence is now strengthening. 3 years ago, we secured huge orders for 6 gas processing turnkey projects. The balance of these orders is expected to be completed by the fourth quarter of calendar year 2025. Our outlook for the gas processing sector remains strong.

Construction Equipment

Construction activities during the year slowed down due to various reasons. In Asia, political changes and high interest rates have caused building and infrastructure constructions to slow down. In Australia, construction activities and hence demand for concrete mixers have remained strong. However, during the year, our mixer delivery was impacted because of the shortage of trucks which were mainly imported, to meet the new emission Euro 6 standards that would take effect from 1 November 2025. Truck supply has now returned to normalcy.

The new trade war is expected to slow world trade and adversely impact the global economy. As a result, countries that we supply are expected to beef up infrastructure developments to lift their economies. Such measures are expected to maintain demand for construction equipment and hence our equipment.

Precision Engineering & Technologies

Demand for automation and precision engineering has been strong. We expect demand to sustain in the coming years. Lack of human resources and talent, increased mechanisation and digital processes and the increasing adoption of AI in various applications have driven demand for automation for industries to strengthen their competitiveness. The Group's emphasis on more end-to-end automation and increased risk management has given better returns this year.

Financial Position

The Group's financial position remains satisfactory: -

Classification	Increase S\$ million	As at 30 June 25 S\$ million	As at 30 June 24 S\$ million
Net Assets	7.76	63.93	56.17
Net Working Capital	0.04	17.86	17.82
Cash in Hand and at Bank	1.66	21.02	19.36

Return per Share

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

Classification	Increase Singapore Cents	Year ended 30 June 25 Singapore Cents	Year ended 30 June 24 Singapore Cents
Earnings per share	0.53	3.61	3.08

The weighted average shares used to compute basic earnings per share are 214,560,008 for this year and the previous year.

Classification	Increase Singapore Cents	As at 30 June 25 Singapore Cents	As at 30 June 24 Singapore Cents
Net tangible assets per share	4.37	25.25	20.88

The calculation of net tangible assets per share includes contract assets and lease liabilities but excludes right-of-use intangible assets.

Capital Expenditure

For the year ending 30 June 2026, the Group does not plan to incur any major capital expenditure.

Confirmed Orders

We have a total of S\$76.13m (30 June 2024: S\$127.25m) outstanding confirmed orders in hand as at 30 June 2025. A breakdown of these outstanding confirmed orders are as follows: -

	S\$m
Green Energy, Gas & Marine Equipment	30.13
Construction Equipment	10.86
Precision Engineering & Technologies	35.14
Total	<u>76.13</u>

Of the above, S\$57.64m are scheduled for delivery in the financial year 2026 and S\$18.49m are scheduled to be delivered in the financial years after 2026.

Prospects

Notwithstanding the prevailing global challenges, the Group is confident that its growth remains sustainable.

Subsequent Events after the Balance Sheet Date

No matter or circumstances has occurred subsequent to the year-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to 30 June 2025.

Environmental Regulations

The Group is subject to environmental regulations under State and Federal legislations. The Group holds environmental licences for its manufacturing site in Brisbane. No significant material environmental incidents occurred during the year.

Meetings of directors

The number of meetings of the Company's board of directors and of each board committee held since the last Annual General Meeting, and the number of meetings attended by each director were:

	Full meetings of directors		Meetings of Committees			
	A	B	Audit		Nomination & Remuneration	
	A	B	A	B	A	B
Mr G L Sim	4	4	-	-	1	1
Mr K Y Sim	4	4	-	-	-	-
Ms Jenny Lim	4	4	-	-	-	-
Mr Y P Lim	4	4	3	3	1	1
Mr Renny Yeo	4	4	3	3	1	1
Mr S J Douglas	4	4	3	3	-	-
Dr Dean Tai	4	4	-	-	-	-
Mr K H Sim	1	4	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

Insurance or indemnification of officers

During the financial year, Zicom Group Limited paid a premium of A\$38,000 to insure against liabilities of the directors and officers of the reporting entity.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against directors or officers in their capacities as officers of the reporting entity.

The policy also provides for certain statutory fines incurred by the reporting entity or officers, and protection for claims made alleging a breach of professional duty arising out of an act, error or omission of the officers of the reporting entity.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PKF Brisbane Audit, as part of its terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify PKF Brisbane Audit during or since the end of the financial year.

Retirement, election and continuation in office of directors

In accordance with ASX Listing Rule 14.4 and the Company's Constitution, Mr Stewart Douglas, Mr Renny Yeo and Ms Jenny Lim retire by rotation.

Having served on board since 2019, Mr Renny Yeo has decided not to stand for re-election as part of board renewal. Mr Renny Yeo has made invaluable contributions to the Company in areas of corporate finance and governance as member of both the Audit and Nomination and Remuneration Committees.

Mr Stewart Douglas and Ms Jenny Lim, being eligible, offer themselves for re-election.

Directors' relevant interests in Zicom Group Limited

In accordance with S300(11) of the *Corporations Act 2001*, the relevant interests of the directors in the shares and options of Zicom Group Limited as at the date of this report are unchanged to those disclosed within the remuneration report as at 30 June 2025.

Remuneration report (Audited)

This remuneration report outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This information has been audited as required by section 308(3C) of the Act.

Key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent. Details of the KMP are set out in the following table:

Directors	
Mr G L Sim	(Executive Chairman)
Mr K Y Sim	(Executive Director, Group CEO)
Ms Jenny Lim	(Executive Director)
Mr Y P Lim	(Non-Executive and Independent Director)
Mr S J Douglas	(Non-Executive and Independent Director)
Mr Renny Yeo	(Non-Executive and Independent Director)
Dr Dean Tai	(Non-Executive and Independent Director)
Mr K H Sim	(Alternate Director to Mr Giok Lak Sim)

There were no changes to KMP after the reporting date and before the date the financial report was authorised for issue.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Service Agreements
- C Details of remuneration

A Principles used to determine the nature and amount of remuneration

A combined Nomination and Remuneration Committee has been formed. The members of the Nomination and Remuneration Committee comprise of Mr Y P Lim as Chairman with Mr G L Sim and Mr Renny Yeo as members. The Nomination and Remuneration Committee had approved the Service Agreements of the Executive Chairman, Mr G L Sim and the Group CEO, Mr Kok Yew Sim.

The key principle of Zicom Group Limited's remuneration policy is to ensure remuneration is set at levels that will attract, motivate, reward and retain personnel to improve business results, having regard to the Company's financial performance and financial position.

Non-Executive Directors

Remuneration of Non-Executive Directors is determined by the directors within the maximum amount approved by shareholders. Each Non-Executive Director receives a base fee of A\$30,000 for being a director of the Company. An additional fee of A\$5,000 is paid for each Board Committee of which a Non-Executive Director sits and A\$10,000 if the Director is a Chair of a Board Committee. The payment of additional fees for serving on committees recognises the additional time commitment and responsibilities of the Non-Executive Directors who serve on one or more sub-committees.

Non-Executive Directors are eligible to participate in the Zicom Employee Share and Option Plan ("ZESOP"). The Board considers that there should be an appropriate mix of remuneration comprising cash and securities for all Directors to link the remuneration of the Directors to the financial performance of the Company and to align the interests of shareholders and all Directors. No options were granted to Non-Executive Directors during the financial year and none are proposed for consideration at the 2025 Annual General Meeting.

The Board recommends that total directors' fees for Non-Executive Directors for the financial year ending 30 June 2026 be fixed at a maximum sum of A\$200,000 (S\$166,520), the same level as the previous year.

Remuneration report (Audited)

Executive Directors and Senior Executives

All remuneration paid to Executive Directors and senior executives comprises the following components:

- Base pay and benefits;
- Short term incentives;
- Other remuneration such as superannuation; and
- Participation in the Zicom Employee Share and Option Plan.

Base pay

The level of base pay is set so as to provide a level of remuneration which is appropriate to the position and is competitive in the market. The remuneration of the Executive Directors is reviewed annually by the Board and the remuneration of senior executives is reviewed annually or on promotion by the managing director(s).

Benefits

Senior executives receive benefits including health and disability insurance and car allowances. Car allowance which is given to defray cost of commuting has been suspended since the lockdown first started in April 2020 has been reinstated for certain executives.

Short-term incentives

The objective of short-term incentives is to reward the senior executives of the Group with performance bonus tied to a minimum profit threshold of the group companies. Such bonuses are paid within 90 days after the year-end and completion of audit. The minimum profit threshold is the lower of S\$500,000 or 15% of total shareholders' funds outstanding at the end of the previous financial year.

B Service Agreements

Executive Chairman and Group Chief Executive Officer

The Executive Chairman, Mr G L Sim is directly employed by Zicom Holdings Private Limited ("ZHPL") and has renewed his service agreement with ZHPL for another 5 years with effect from 1 July 2021. ZHPL and Mr Sim are required to give each other at least 6 months' notice in the termination of the service agreement. Under the terms of his service agreement, Mr Sim continues to be appointed as the Executive Chairman of Zicom Group Limited ("ZGL") and all its subsidiaries.

Mr Sim is entitled to an annual review of his monthly salary if the consolidated profits before tax of the Group exceed 15% return on shareholders' funds as at the end of that financial year. Mr Sim has frozen his monthly salary since 2007. From 1 January 2019 to 1 July 2021, Mr Sim voluntarily reduced his salary by two-thirds to less than one-third of the monthly salary he used to draw in 2007. Apart from this, all other benefits, terms and conditions in his service agreement remain unchanged.

Group Chief Executive Officer, Mr K Y Sim, is directly employed by ZHPL and has renewed his service agreement with ZHPL for another 5 years with effect from 1 January 2025. ZHPL and Mr K Y Sim are required to give each other at least 6 months' notice in the termination of the service agreement. Under the terms of his service agreement, Mr Sim is also appointed as the Group CEO of ZGL.

Both Mr G L Sim and Mr K Y Sim are paid a monthly salary and a car allowance. Car allowance which is given to defray cost of commuting which has been suspended since April 2020 has recently been reinstated for Mr K Y Sim. Mr G L Sim has decided not to reinstate his entitlement. Both of them are entitled to a maximum performance bonus of 5% each but their total not exceeding 10% of the pre-tax consolidated profits of ZHPL upon achieving agreed minimum profit targets, being the only criterion for their entitlement. Both are entitled to convert part of their performance bonus up to 50% of the amount payable into shares of ZGL at the average of the closing prices of the last 5 trading days before the end of the relevant financial year. However, such entitlement must be exercised within 7 working days after the financial year-end.

For the financial year just ended, Mr G L Sim and Mr K Y Sim were entitled to bonus under the terms of their contracts with ZHPL as the profits exceeded the agreed minimum profit target. Mr G L Sim has decided to waive and reallocate two-thirds of his bonus to other management employees who are otherwise not entitled to such bonus and convert 50% of the balance of his performance bonus amounting to S\$75,000 (2024: S\$nil) into ZGL shares, fully paid at A\$0.087 per share. This is subject to shareholders' approval and will be proposed for consideration at the 2025 Annual General Meeting.

Mr K Y Sim, the Group CEO, has continued concurrently as CEO of Sys-Mac Automation Engineering Pte. Ltd. ("Sys-Mac") as a suitable successor is yet to be found, as well as Managing Director of Zicom Private Limited. As such the Nomination & Remuneration Committee has approved his continuing entitlement to bonus under his contract at the higher of his entitlement based on the profits of Sys-Mac or consolidated profits of ZHPL.

Remuneration report (Audited)

Pursuant to their service agreements with ZHPL, both are not paid any salary or fees by ZGL, Cescio Australia Limited ("CAL") or any other group companies. In the event CAL achieves the minimum pre-tax profits, both Mr G L Sim and Mr K Y Sim will each be entitled to a bonus not exceeding 5% of CAL's profits. During the financial year just ended, both were not paid any bonus by CAL as the profit target was not achieved.

Senior Executives (directors of group companies)

Senior executives in key decision-making roles are employed under rolling contracts. The company and these senior executives are required to give each other 6 months' notice or 4 weeks' notice for those executives based in Australia to terminate the service contracts. The senior executives are entitled to a monthly salary and a car allowance. Similarly, car allowance which is given to defray cost of commuting has been suspended since April 2020 for some executives until further review.

Each year, each of the subsidiary companies allocates 10% of their pre-tax profits upon achieving agreed minimum profit targets, being the only criterion for allocation of bonus to its eligible executives, as a "bonus pool". The maximum entitlement capped for eligible executives ranges from 2.5% to 5% of the pre-tax profits. Each year, the Nomination and Remuneration Committee will decide the proportion payable to each of these eligible executives based on the number of eligible executives entitled to the pool and any recommendation by management to reward any outstanding senior executives who are otherwise not eligible contractually, to be specially rewarded.

The decisions made by the Committee are deemed to be 100% of their entitlement for the respective eligible executive for the relevant financial year.

These senior executives are also entitled to convert part of their performance bonus up to 50% of the amount payable into shares in ZGL at the average of the closing prices of the last 5 trading days before the end of the relevant financial year. However, such entitlement must be exercised within 7 working days after the financial year-end. For the financial year just ended, none of the executives exercised the option to convert part of their performance bonus into ZGL shares.

Zicom Employee Share and Option Plan

Options are granted under the Zicom Employee Share and Option Plan ("ZESOP") which was approved by shareholders on 23 November 2006.

A person is eligible to participate in ZESOP if he or she is a director or an employee of a group company. Approved share options are first allocated to each group company based on its profit contribution to the Group for the past 3 years adjusted by factors such as potential for future contributions to the Group and past conversion rates. These options are then granted to employees based on individual performance and those identified as high-potential employees in that group company. This initiative strengthens the Group's position to retain and attract talent so as to expand and grow to improve the Group's performance and enhance shareholders value.

The Board may at any time make invitations to eligible employees to participate in the ZESOP. The invitation will specify the total number of options each eligible employee may acquire, the exercise price, period and exercise conditions. All options shall lapse upon the expiry of the exercise period as determined by the Board or 10 years after grant of the option whichever is earlier.

If an eligible participant ceases to be employed by any member of the Group, his or her options shall lapse. In the event an eligible participant, who, by reason of death, or physical or mental incapacity or such other reasons as the Board may approve, ceases to be an eligible participant before the participant has exercised all vested options under ZESOP, then those options shall continue to be capable of being exercised in accordance with the rules.

Options granted under ZESOP carry no voting rights or entitlement to dividends.

Options are granted at no cost to employees. When exercised, each option is convertible into one ordinary share which shall be credited as fully paid up and ranks equally with all other fully paid ordinary shares.

Remuneration report (Audited)

During the current financial year, no share option was granted (2024: nil) or exercised (2024: nil) whilst 5,320,000 (2024: 145,000) share options were forfeited or expired.

There were nil (2024: 5,320,000) unissued ordinary shares under options at the reporting date and at the date of this report.

Company Performance

The table below shows the performance of the Group for the past 5 financial years:

	2025	2024	2023	2022	2021
Earnings/(loss) per share (Australian cents)	4.23	3.48	(4.35)	(4.00)	(0.52)
Dividends per share (Australian cents)	–	–	–	–	–
Closing share price (Australian cents)	8.80	6.60	4.50	5.30	6.30
Net tangible assets per share (Australian cents)	30.33	23.19	17.84	21.52	23.69

Exchange rates used for currency translation (AUD/SGD)

Average rate for EPS	0.8544	0.8853	0.9142	0.9838	1.0058
Closing rate for NTA per share	0.8326	0.9003	0.8982	0.9571	1.0104

Remuneration report (Audited)

C Details of remuneration (audited)

Details of the remuneration to the directors and the key management personnel of Zicom Group Limited for the years ended 30 June 2025 and 2024 are set out in the following tables. All performance related bonus and share-based payments listed in the table were 100% vested for both financial years.

2025	Short-Term Employee Benefits				Post-Employment Benefit	Share-Based Payments		Total	Performance Related	Consisting Of Share Options
	Cash Salary and Fees	Bonus	Non-Monetary Benefits	Other Short-Term Employee Benefits	Superannuation	Performance Bonus Paid in Shares	Share options			
Name	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	%	%
<i>Non-Executive Directors</i>										
K H Sim ⁽¹⁾	25,632	–	–	–	–	–	–	25,632	–	–
Y P Lim	38,448	–	–	–	–	–	–	38,448	–	–
Renny Yeo	34,176	–	–	–	–	–	–	34,176	–	–
S J Douglas	34,176	–	–	–	3,930	–	–	38,106	–	–
Dean Tai	25,632	–	–	–	–	–	–	25,632	–	–
Sub-total Non-Executive Directors	158,064	–	–	–	3,930	–	–	161,994		
<i>Executive Directors</i>										
G L Sim – Executive Chairman	120,000	75,000	–	–	6,390	75,000	–	276,390	54.3	–
K Y Sim	236,206	390,000	–	–	14,484	–	–	640,690	60.9	–
Jenny Lim	207,593	200,000	–	1,020	14,484	–	–	423,097	47.3	–
Sub-total Executive Directors	563,799	665,000	–	1,020	35,358	75,000	–	1,340,177		
Grand total	721,863	665,000	–	1,020	39,288	75,000	–	1,502,171		

(1) Mr K H Sim received fees as a Non-Executive Director of Zicom Holdings Private Limited.

Zicom Group Limited

Directors' Report 2025

Remuneration report (Audited)

C Details of remuneration (Cont'd)

2024	Short-Term Employee Benefits				Post-Employment Benefit	Share-Based Payments		Total	Performance Related	Consisting Of Share Options
Name	Cash Salary and Fees	Bonus	Non-Monetary Benefits	Other Short-Term Employee Benefits	Superannuation	Performance Bonus Paid in Shares	Share options			
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	%	%
<i>Non-Executive Directors</i>										
K H Sim ⁽¹⁾	26,559	–	–	–	–	–	–	26,559	–	–
Y P Lim	39,839	–	–	–	–	–	–	39,839	–	–
Renny Yeo	35,412	–	–	–	–	–	–	35,412	–	–
S J Douglas	35,412	–	–	–	4,072	–	–	39,484	–	–
Dean Tai	26,559	–	–	–	–	–	–	26,559	–	–
Sub-total Non-Executive Directors	163,781	–	–	–	4,072	–	–	167,853		
<i>Executive Directors</i>										
G L Sim – Executive Chairman	120,000	68,256	–	–	8,012	–	–	196,268	34.8	–
K Y Sim	238,154	373,556	–	–	18,156	–	–	629,866	59.3	–
Jenny Lim	201,646	–	–	1,020	18,156	–	–	220,822	–	–
Sub-total Executive Directors	559,800	441,812	–	1,020	44,324	–	–	1,046,956		
Grand total	723,581	441,812	–	1,020	48,396	–	–	1,214,809		

(1) Mr Sim Kok Hwee received fees as a Non-Executive Director of Zicom Holdings Private Limited

Remuneration report (Audited)**Details of share options to key management personnel**

All outstanding options as at 30 June 2024 have expired during the year just ended. There were no share options granted or exercised during the financial years 2025 and 2024.

Their outstanding options held as at 30 June 2025 and 30 June 2024 are shown in the table below:

Directors

	Outstanding options		Exercisable	Expiry date
	30 June 2025	30 June 2024		
K Y Sim	–	400,000	400,000	12/11/2024
Jenny Lim	–	250,000	250,000	12/11/2024
K H Sim	–	250,000	250,000	12/11/2024
Y P Lim	–	250,000	250,000	12/11/2024
	–	1,150,000	1,150,000	

The above options were granted under the Zicom Employee Share and Option Plan which was approved by shareholders on 23 November 2006. There were no alterations to the terms and conditions of options granted as remuneration since their grant date. Please refer to note 27 for more details.

Shareholdings of key management personnel as at 30 June 2025 and 30 June 2024 are as follows:**30 June 2025**

	Balance as at 1 July 2024	Sold	Options exercised	Bought	Balance as at 30 June 2025
<i>Directors</i>					
G L Sim	107,781,137	–	–	726,526	108,507,663
K Y Sim	1,350,253	–	–	–	1,350,253
Jenny Lim	944,563	–	–	–	944,563
K H Sim	1,538,180	–	–	–	1,538,180
Y P Lim	1,038,000	–	–	–	1,038,000
Renny Yeo	–	–	–	–	–
S J Douglas	–	–	–	–	–
Dean Tai	–	–	–	–	–
	112,652,133	–	–	726,526	113,378,659

30 June 2024

	Balance as at 1 July 2023	Sold	Options exercised	Bought	Balance as at 30 June 2024
<i>Directors</i>					
G L Sim	107,781,137	–	–	–	107,781,137
K Y Sim	1,350,253	–	–	–	1,350,253
Jenny Lim	944,563	–	–	–	944,563
K H Sim	1,538,180	–	–	–	1,538,180
Y P Lim	1,038,000	–	–	–	1,038,000
Renny Yeo	–	–	–	–	–
S J Douglas	–	–	–	–	–
Dean Tai	–	–	–	–	–
	112,652,133	–	–	–	112,652,133

There were no other transactions and balances with key management personnel and their related parties during the years 2025 and 2024.

This concludes the remuneration report, which has been audited.

Legal Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or any part of those proceedings.

Auditor's Independence Declaration

A copy of the auditor's signed independence declaration as required under Section 307C of the *Corporations Act 2001* is set out immediately after this report.

Non-Audit Services

There were no non-audit services provided by the entity's auditor and related practices of the entity auditor, PKF Brisbane Audit, during the year.

Rounding of Amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and accordingly, the amounts contained in the financial statements and directors' report have been rounded to the nearest S\$1,000 unless otherwise stated.

This report was made in accordance with a resolution of the Board of Directors.



GL Sim
Executive Chairman
30 September 2025

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ZICOM GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Zicom Group Limited and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE
30 SEPTEMBER 2025

Introduction

The Board of Directors is responsible for the Corporate Governance of Zicom Group Limited and its controlled entities (referred to in this document as “the Company” or “ZGL”). The directors are focused on fulfilling their responsibilities individually and as a Board to all of the Company’s stakeholders. This involves recognition of and a need to adopt principles of good corporate governance having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations.

The Company has reviewed its Corporate Governance procedures over the past year to ensure compliance with the principles of good corporate governance.

A description of the Company’s practices in complying with the principles is set out below.

Principle 1: Lay Solid Foundations for Management and Oversight

Role of Board and management

The Board is responsible for the governance of ZGL. The role of the Board is to review and approves ZGL’s strategic direction and provide oversight of management.

After appropriate consultation with executive management, the Board:

- defines and sets the business and strategic objectives. It monitors performance and achievement of these Company’s objectives;
- oversees the reporting on matters of compliance with corporate policies and laws, takes responsibility for risk management processes and reviews executive management of the Company;
- monitors and approves business plans, financial performance and budgets, available resources, major capital expenditure, capital raising, acquisition and divestment of Company’s assets;
- maintains liaison with the Company’s auditor; and
- reports to shareholders.

Candidates for election or re-election as a director

The Company is guided by the Board for the selection, nomination and appointment of directors. As part of this process the Board ascertains the qualifications and experience that a potential candidate possesses. Background checks, as appropriate, are carried out before a person is appointed by the Board. In addition, the Board will continue to provide shareholders with all material information in its possession relevant to a decision to elect or re-elect a director by inclusion in its Notice of Meeting.

Written agreements with Directors

The Executive Chairman, Executive Directors and Senior Executives have letters of appointments or service contracts describing their terms of office, duties, responsibilities, rights and remuneration entitlement. These contracts set out the circumstances in which the employment of the Executives may be terminated by either ZGL or the Executives including details of notice periods.

The other directors do not have contracts with the Company that give them any form of certain tenure. These directors do not hold office for a continuous period of more than 3 years or past the third annual general meeting following their appointment, whichever is the longer, without submitting for election or re-election. The retiring directors shall be eligible for re-election.

Company Secretaries

The Joint Company Secretaries attend all meetings of the Board and Board Committees and is responsible for the day-to-day corporate secretarial function and are directly accountable to the Board through the Chairman. Any decision to appoint or remove a Company Secretary will be made or approved by the Board.

Diversity Policy

The Company’s workforce is relatively small and as such, the Board does not see the relevance of having a written diversity policy or establishing measurable objectives for achieving gender diversity. However, the Company recognises the importance of benefitting from all available talent regardless of gender, age, ethnicity and cultural background. The Company promotes an environment conducive to the appointment of well qualified employees, senior management and board candidates so that there is appropriate diversity to maximise the achievement of corporate goals.

The Company has employees including executives from diversified cultural background and nationalities such as Australians, Bangladeshis, Chinese, Indians, Indonesians, Filipinos, Malaysians, Burmese, New Zealanders, Singaporeans and Thais.

Performance Review

The Chairman is responsible for evaluating the performance of its senior executives, committees and individual directors. The review process is currently informal, generally done through a meeting with the Chairman of the Board. The performance is reviewed regularly against both measurable and qualitative indicators. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of Zicom Group Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

The review process as disclosed above was undertaken in the current reporting period.

Principle 2: Structure the Board to Add Value

Composition of Board

The names of the directors of the Company in office at the date of this annual report are set out in the Directors' report on page 7.

Details of the members of the Board, their experience, expertise, qualifications, term of office and independent status are included in the "Board of Directors" section within the annual report.

The composition of the Board has been determined so as to provide the Company with an appropriate balance of skills, industry knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively and to represent Shareholders.

Nomination and Remuneration Committee

A combined Nomination and Remuneration Committee has been established comprising the following members, majority of whom are independent:

- Mr Y P Lim (Chairman)
- Mr G L Sim
- Mr Renny Yeo

The Committee is responsible for the selection, nomination and appointment of directors, monitoring the skills and expertise of current board members, consider succession planning issues, assessing the independence of Non-Executive Directors and identifying the likely order of retirement by rotation of directors. In addition, the committee formulates the remuneration policies for the Board Members, Executive Chairman and Group CEO.

For details on the number of meetings of the Nomination and Remuneration Committee held during the year and the attendees at those meetings, please refer to page 10 of the Directors' Report.

Board Skills Matrix

The Board seeks to ensure that it has an appropriate mix of diversity, skills, industry experience and expertise to enable it to discharge its responsibilities effectively. As a minimum, the board's skills matrix includes:

- (a) Each director must be capable of making a valuable contribution to the effective operations of the Company and Board's deliberations and processes;
- (b) Directors must collectively have the necessary skills, knowledge and experience to understand the risks of the Company and to ensure that the Company is managed in an appropriate way taking into account these risks; and
- (c) All directors must be able to read and understand fundamental financial statements.

The Board believes that it is of a sufficient size and has adequate representation of the necessary skills and requirements noted above.

Independence

At the date of this annual report, the Board is made up of 3 executive directors and 4 independent directors. Hence, majority of board members are independent.

An independent director is one who:

- is not and has not within the last three years been employed in an executive capacity by the Company or other group member;
- does not receive performance-based remuneration;
- is not or has not been within the last three years in a material business relationship (eg. supplier, professional adviser, consultant or customer) with the Company or other group member or is not an officer of or associated with someone with such a relationship.
- is not and does not represent a substantial shareholder of the Company or has not within the last three years been an officer or employee of, or professional adviser to, a substantial shareholder;

Corporate Governance Statement

- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- has not been a director of the Company for such a period that his or her independence may have been compromised.

Materiality thresholds in determining the independence of non-executive directors are:

- A relationship that accounts for more than 10% of the director's gross income (other than director's fees paid by the Company).
- Where the relationship is with a firm, company or entity, in respect of which the director (or any associate) has more than 20% shareholding if a private company or 2% if a listed company.

Mr Renny Yeo has no relationships or interests that would affect his role as an independent director.

Mr S J Douglas has no relationships or interests that would affect his role as an independent director.

Mr Y P Lim has no relationships or interests that would affect his role as an independent director.

Dr Dean Tai is a founder, chief scientific officer and director of HistoIndex Pte. Ltd. ("HI"), an investee company of ZIG Ventures Limited. Mr G L Sim used to chair the board of HI but has stepped down since 6 December 2022 and Dr Dean Tai no longer reports to Mr G L Sim. The Board has therefore considered Dr Dean Tai to have no relationships or interests that would affect his role as an independent director.

Ms Jenny Lim is the Group's Financial Controller since 2005 and is therefore considered by the Board to be not independent.

Mr K H Sim, being the eldest son of Mr GL Sim, is therefore considered by the Board to be not independent.

Mr K Y Sim is the Group Chief Executive Officer, is therefore considered by the Board to be not independent.

Mr G L Sim was appointed the Group Managing Director of Zicom Group Limited commencing 1 July 2006, and Chairman of Zicom Group Limited with effect from 23 November 2006. He is a major shareholder in Zicom Group Limited through his interest in SNS Holdings Pte. Ltd., his family company. Previously Mr Sim had been the major shareholder (through SNS Holdings Pte. Ltd.) of Zicom Holdings Private Limited ("ZHPL"). Mr Sim has been the Managing Director of ZHPL since founding the company and was appointed the chairman of ZHPL on 17 August 2007, in line with his position as the Group Chairman. On 1 January 2019, Mr G L Sim stepped down as the Group Managing Director and remains as Executive Chairman of Zicom Group. The Board has determined that Mr G L Sim is, and was not independent.

As such, the position of the Chairperson is held by a non-independent director. The Board recognises the importance of having an independent chair, however, other selection criterion, in particular business acumen and industry experience, are also fundamentally important. The Board has chosen a director who has deep understanding of the Group's businesses with significant diversified and broad-based experience to lead the Company in the best interests of the shareholders.

Length of Service

The term in office held by each director in office at the date of this report is as follows:

Non-independent		Independent	
Mr G L Sim	30 years	Mr Y P Lim	19 years
Mr K Y Sim	11 years	Mr Renny Yeo	6 years
Ms Jenny Lim	6 years	Mr S J Douglas	6 years
Dr Dean Tai	5 years		
Mr K H Sim			
- As director	13 years		
- As alternate director	5 years		

The Company's Constitution specifies that at each annual general meeting, a director (other than the Managing Director) may not hold office for a continuous period of more than three years or past the third annual general meeting following the director's appointment, whichever is the longer, without submitting for election or re-election.

The Board recognises that it is desirable for the majority of the Board to be independent directors. However, given the size of the current operations and financial resources of the Company, the current Board composition reflects an appropriate balance of skills, expertise and experience to discharge its obligations effectively and act in the best interest of the Company and all stakeholders.

Independent Professional Advice

Directors and Board Committees have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, and this will not be unreasonably withheld.

Induction and Professional Development

The Company does not consider it necessary to have a formal program for inducting new directors and professional development for directors. However, all new directors are invited to meet key executives and attend site visits of key operations to gain an understanding of the Company's structure, business operations, history and key risks. All directors are expected to maintain the skills required to effectively discharge their duties and obligations to the Company and to add value. Whenever appropriate, the Company provides opportunities to develop and maintain their skills and knowledge to perform their roles as directors effectively.

Principle 3: Act Ethically and Responsibly

Code of Conduct

The Company has a Code of Conduct that applies to ZGL and its directors, officers, employees and consultants and sets out the standards of responsibility and ethical conduct required of our people. A summary of this Code is as follows:

- Act honestly and with high standards of personal integrity
- Act ethically and responsibly
- Protect Company's non-public information such as business plans, product formulas, marketing strategies, pricing, proposals, potential mergers and acquisitions
- Safeguard Company's assets which include physical, electronic and intellectual properties
- Comply with all laws and regulations that apply to the Company and its operations
- Take reasonable care to secure their own safety and health while at work so as not to jeopardise the health and safety of others
- Treat fellow colleagues with respect and do not engage in bullying, harassment or discrimination
- Deal with customers and suppliers fairly and ethically
- Respect government authorities and regulatory bodies
- Do not allow our personal interests to influence our decisions made on behalf of Company
- Do not take advantage of the Company's property or information or its customer for personal gain or to cause detriment to the Company or customer
- Do not take advantage of our position or the opportunities arising therefrom for personal gains
- Report breaches of the Code

Directors are required to disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the director or the interests of any other party in so far as it affects the activities of the Company and to act in accordance with the *Corporations Act 2001* if a conflict cannot be removed or it persists. Directors would be restricted from taking part in the decision-making process or discussions when such conflict does arise.

Any material breaches of the Code of Conduct are reported to the Board and monitored until the relevant breach is considered closed.

Share Trading Policy

Directors are required to make disclosure of any share trading. The key principles of the Share Trading Policy are that directors and officers are prohibited to trade while in possession of unpublished price sensitive information and during the following closed periods:

- The period between 1 January and the release of the Company's Half Year results to the Securities Exchange
- The period between 1 July and the release of the Company's Full Year results to the Securities Exchange
- The twenty-four hours following an announcement of price sensitive information on the Securities Exchange
- Other periods as may be imposed by the Company when price sensitive, non-public information may exist in relation to a matter

Price sensitive information is information that a reasonable person would expect to have a material effect on the price or value of the Company's shares. The undertaking of any trading in shares must be notified to the Company Secretary who makes disclosure to the ASX.

Principal 4: Safeguard Integrity in Corporate Reporting

Audit Committee

The Audit Committee comprises of 3 members, all of whom are independent:

- Mr S J Douglas (Chairman)
- Mr Y P Lim
- Mr Renny Yeo

The Audit Committee operates in accordance with a charter. The main responsibilities of the Audit Committee are to:

- Review, assess and approve the annual report, the half-year financial report and all other financial information published by the Company or released to the market.
- Review the effectiveness of the Group's internal control environment, including effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.
- Recommend the appointment or removal of the external auditor and the rotation of the audit engagement partner.
- Recommend the remuneration of the external auditor, and review the terms of their engagement, the scope and quality of their audit and assess their performance.
- Consider the independence and competence of the external auditor on an ongoing basis.
- Report on matters relevant to the committee's role and responsibilities.

Non-committee members, including members of the management team and the external auditor, may attend meetings of the Committee by invitation of the Committee Chair.

The Committee has rights of access to management and external auditor without management present and rights to seek explanations and additional information from both management and auditor.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, please refer to page 10 of the Directors' Report.

To ensure the integrity of the Company's financial reports, the Executive Chairman and the Group Financial Controller are required to provide written assurance to the Board that, in their opinion, the financial records of the Company for the relevant financial year have been properly maintained in accordance with the *Corporations Act 2001* and that the financial statements and the notes for the financial year comply with accounting standards and present a true and fair view of the financial position and performance of the entity, that the consolidated entity disclosure statement is true and correct and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's annual and half-yearly financial reports are reviewed by the Audit Committee and the external auditors, including the disclosures made in those reports. Where there are other periodic reports to be released to the market, it will be reviewed by the relevant board committee and the Board.

Principal 5: Make Timely and Balanced Disclosure

The Board recognises that the Company as a publicly listed entity has an obligation to make timely and balanced disclosure in accordance with the requirements of the *Australian Securities Exchange ("ASX") Listing Rules* and the *Corporations Act 2001*. The Board is committed to keep the market reasonably informed of information which may have a material effect on the price or value of the Company's securities in a balanced and understandable way.

The Executive Chairman is responsible for monitoring information which could be price sensitive, liaising with the Company Secretaries to make an initial assessment and forwarding to the Board for confirmation of disclosure of such information. If not all directors are immediately available, the Company Secretary is authorised to lodge such information upon receiving the majority of directors' approval in order not to delay in giving this information to the ASX.

As soon as the confirmation of release is received from ASX, the Company Secretaries forward it to the Board immediately for their information. The Company also circulates all price sensitive announcements to the Board ahead of release being made.

The Company will ensure that all substantive presentations are released to the market to enable all shareholders the opportunity to access the materials included in the presentation.

Principal 6: Respect the Rights of Shareholders

The Company aims to communicate all important information relating to the Company to its shareholders. Additionally, the Company recognises potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve this, the Company communicates information regularly to shareholders and other stakeholders through the following:

- Annual General Meeting (“AGM”): All shareholders have the option to attend the physical meeting or virtually. This is to encourage full participation of shareholders at the AGM. The virtual format does not allow online voting but shareholders are able to watch the proceedings of the AGM and ask questions. For those shareholders who are unable to attend in person, they are able to cast their proxies prior to the meeting. The external auditor will attend the AGM and is available to answer any questions from shareholders about the conduct of the audit and the preparation and content of the auditor’s report.
- Annual Report: the Company Annual Report will be available on its website and contains important information about the Company’s activities and results for the previous financial year. Shareholders may elect to receive annual reports electronically. Hard copy annual reports are provided to shareholders who have not elected to receive these electronically.
- ASX Announcements: all ASX announcements, including annual and half-year financial reports are posted on the Company’s website as soon as these have been released by ASX.
- Investor relations: the Company provides an online email inquiry service to assist shareholders with any queries.

The Chairman encourages shareholders to ask questions and make comments about the Company’s operations at the AGMs. The Chair may respond directly to questions or, at his discretion, may refer a question to another director, the Group CEO or a senior executive. As far as practicable, all substantive resolutions at the shareholders’ meetings are decided by a poll rather than by a show of hands.

All shareholders are given the option to receive communication from, and send communications to, the Company or share registry electronically. Shareholders are encouraged to receive correspondence electronically to facilitate a more effective, efficient and sustainable communication mechanism with shareholders.

Principle 7: Recognise and Manage Risk

Given the size of the Company, the Board has not established a risk committee nor does it have an internal audit function. Rather the Board is responsible for the Company’s risk management. The responsibility and control of risk management rests with the senior management of the respective subsidiaries chaired by the Executive Chairman.

The Board is conscious of the need to continually maintain systems of risk management and controls and is responsible for overseeing and approving risk management strategy and policies and internal controls. The Company has in place policies and procedures for risk management which cover areas including workplace health and safety, cyber-security, control of key resources, investment, manufacturing, financial and other critical business processes. The operational risks are managed by senior management level and escalated to the Board for direction where the issue is exceptional, non-recurring or may have a material financial or operational impact on the Company.

The Company does not consider that it has any material exposure to economic, environmental and social sustainability risks.

In accordance with Section 295A of the *Corporations Act 2001*, the Executive Chairman (Chief Executive Officer equivalent) and the Group Financial Controller (Chief Financial Officer equivalent) have provided a written statement to the Board that:

- The view provided on the Company’s financial report for the financial year just ended is founded on a sound system of risk management and internal control which implements the policies adopted by the Board; and
- The Company’s risk management and internal control system is operating efficiently and effectively in all material respects to manage the Company’s key business risks.

The Board acknowledges that such internal control assurance is not absolute and can only be provided on a reasonable basis after having made due enquiries. This is due to factors such as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal controls and because much of the evidence available is persuasive rather than conclusive and therefore is not, and cannot be, designed to detect all weaknesses in control procedures.

Principle 8: Remunerate Fairly and Responsibly

As stated above, a combined Nomination and Remuneration Committee has been established by the Board comprising the Executive Chairman and two independent directors, chaired by an independent director.

For details on the number of meetings of the Nomination and Remuneration Committee held during the year and the attendees at those meetings, please refer to page 10 of the Directors' Report.

Details of the remuneration for directors and key management personnel can be found in the Directors' Report within the Annual Report.

The Executive Directors receive performance-based remuneration. Both the Executive Chairman and the Group CEO have service agreements with the Group for a term of 5 years. The Non-Executive Directors do not receive any performance-based remuneration and do not have contracts with the Company that give them any form of specific tenure. A director (other than the Group CEO) may not hold office for a continuous period of more than three years or past the third annual general meeting following the director's appointment, whichever is longer, without submitting for election or re-election.

Each member of the Board has committed to spending sufficient time to enable them to carry out their duties as a director of the Company.

A maximum amount of remuneration for Non-Executive Directors is fixed by shareholders in general meeting and can be varied in the same manner. In determining the allocation, the Board must take into account of the time demands on the directors together with the responsibilities undertaken by them.

The directors with the exception of Mr G L Sim were granted options. The first grant of options was approved by the shareholders in an Extraordinary General Meeting on 28 August 2008. The Board considers that there should be an appropriate mix of remuneration comprising cash and securities for all directors to link the remuneration of the directors to the financial performance of the Company. The directors consider this remuneration policy sensible and balanced which aligns the interests of shareholders and all directors.

The grant of options to Non-Executive Directors are not conditional upon the achievement of any performance condition so as not to compromise on their objectivity.

Transactions which limit the economic risk of participating in unvested elements under equity-based remuneration schemes are not allowed.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2025

(In Singapore dollars)

	Note	2025 S\$'000	2024 S\$'000
Revenue from contracts with customers	5	131,878	119,640
Rental income		3,062	2,801
Revenue		134,940	122,441
Other revenue	6	830	9,123
Total consolidated revenue		135,770	131,564
Cost of materials		(74,915)	(71,085)
Employee, contract labour and related costs		(25,959)	(28,360)
Depreciation and amortisation		(5,435)	(5,431)
Property related expenses		(290)	(254)
Other operating expenses	6	(18,952)	(16,501)
Finance costs		(2,091)	(2,202)
Share of results of associate	14	(28)	(385)
Profit before taxation		8,100	7,346
Tax expense	7	(442)	(831)
Profit for the year		7,658	6,515
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss (net of tax):			
Revaluation of land and buildings		1,539	2,064
Items that may be reclassified subsequently to profit or loss (net of tax):			
Foreign currency translation on consolidation		(1,437)	(104)
Other comprehensive income for the year, net of tax		102	1,960
Total comprehensive income for the year		7,760	8,475
Profit/(loss) attributable to:			
Equity holders of the Parent		7,748	6,618
Non-controlling interests		(90)	(103)
Profit for the year		7,658	6,515
Total comprehensive income/(loss) attributable to:			
Equity holders of the Parent		7,850	8,578
Non-controlling interests		(90)	(103)
Total comprehensive income for the year		7,760	8,475
Earnings per share (cents)			
Basic earnings per share	8	3.61	3.08
Diluted earnings per share	8	3.61	3.08

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Zicom Group Limited
Consolidated Balance Sheet as at 30 June 2025

(In Singapore dollars)

	Note	2025 S\$'000	2024 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	33,653	33,036
Right-of-use assets	10	6,180	7,624
Intangible assets	11	4,725	4,914
Deferred tax assets	7	2,108	2,054
Equity financial assets	13	6,354	–
Investment in associate	14	1,905	1,933
		<u>54,925</u>	<u>49,561</u>
Current assets			
Cash and cash equivalents	22	15,479	12,044
Fixed deposits	23	5,536	7,319
Inventories	15	22,934	25,774
Trade and other receivables	16	30,307	27,337
Contract assets	5	10,579	15,061
Contract costs	17	94	910
Prepayments		541	547
Tax recoverable		749	356
		<u>86,219</u>	<u>89,348</u>
TOTAL ASSETS		<u>141,144</u>	<u>138,909</u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	18	33,294	29,847
Contract liabilities	5	8,119	5,402
Lease liabilities	10	1,551	1,735
Other interest-bearing liabilities	19	21,216	31,674
Provisions	20	2,745	2,386
Income tax payable		1,434	482
		<u>68,359</u>	<u>71,526</u>
NET CURRENT ASSETS		<u>17,860</u>	<u>17,822</u>
Non-current liabilities			
Lease liabilities	10	4,651	6,139
Other interest-bearing liabilities	19	267	1,090
Deferred tax liabilities	7	3,577	3,648
Provisions	20	358	334
		<u>8,853</u>	<u>11,211</u>
TOTAL LIABILITIES		<u>77,212</u>	<u>82,737</u>
NET ASSETS		<u>63,932</u>	<u>56,172</u>
Equity attributable to equity holders of the Parent			
Share capital	21	20,836	20,836
Reserves		10,572	11,538
Retained earnings		<u>32,800</u>	<u>23,984</u>
		64,208	56,358
Non-controlling interests		<u>(276)</u>	<u>(186)</u>
TOTAL EQUITY		<u>63,932</u>	<u>56,172</u>
TOTAL LIABILITIES AND EQUITY		<u>141,144</u>	<u>138,909</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Zicom Group Limited
Consolidated Statement of Changes in Equity for the year ended 30 June 2025

(In Singapore dollars)

Attributable to equity holders of the Parent									
Note	Share capital	Share capital – exercise of share options (a)	Asset revaluation surplus	Foreign currency translation reserve (b)	Share-based payment reserve (c)	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1.7.2023	20,364	472	13,773	(3,509)	91	16,621	47,812	(104)	47,708
Profit for the year	–	–	–	–	–	6,618	6,618	(103)	6,515
Other comprehensive income									
Revaluation reserve	–	–	2,064	–	–	–	2,064	–	2,064
Foreign currency translation	–	–	–	(104)	–	–	(104)	–	(104)
Total comprehensive income for the year	–	–	2,064	(104)	–	6,618	8,578	(103)	8,475
Acquisition of non-controlling interest	–	–	–	–	–	(32)	(32)	32	–
Disposal of non-controlling interest	–	–	–	–	–	–	–	(11)	(11)
Share-based payments	–	–	–	–	–	–	–	–	–
Forfeited employee share options	–	–	–	–	(2)	2	–	–	–
Transfer of depreciation for buildings	–	–	(775)	–	–	775	–	–	–
Balance at 30.6.2024	20,364	472	15,062	(3,613)	89	23,984	56,358	(186)	56,172
Profit for the year	–	–	–	–	–	7,748	7,748	(90)	7,658
Other comprehensive income									
Revaluation reserve	–	–	1,539	–	–	–	1,539	–	1,539
Foreign currency translation	–	–	–	(1,437)	–	–	(1,437)	–	(1,437)
Total comprehensive income/(loss) for the year	–	–	1,539	(1,437)	–	7,748	7,850	(90)	7,760
Expired/forfeited employee share options	–	–	–	–	(89)	89	–	–	–
Transfer of depreciation for buildings	–	–	(979)	–	–	979	–	–	–
Balance at 30.6.2025	20,364	472	15,622	(5,050)	–	32,800	64,208	(276)	63,932

- (a) Share capital – exercise of share options is used to record the transfer from share-based payment reserve upon the exercise of the share options.
- (b) Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- (c) The share-based payment reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Zicom Group Limited
Consolidated Statement of Cash Flows for the year ended 30 June 2025

(In Singapore dollars)

	Note	2025 S\$'000	2024 S\$'000
Cash flows from operating activities:			
Operating profit before taxation		8,100	7,346
Adjustments for:			
Allowance for/(write back of) inventory obsolescence, net of reversal	6	232	(505)
Bad debts written off	6	9	534
Contract assets written off	6	—	437
Gain on disposal of property, plant and equipment	6	(12)	(152)
Gain on disposal of subsidiary	6	—	(8,275)
Inventories written off	6	224	6
Intangible asset written off	6	—	32
Interest income	6	(236)	(201)
Trade and other payables written back	6	(165)	(47)
(Write back of)/allowance for impairment and expected credit losses	6	(3)	90
Depreciation of property, plant and equipment	9	3,529	3,173
Depreciation of right-of-use assets	10	1,841	1,925
Amortisation of intangible assets	11	65	333
Share of results of associate	14	28	385
Provisions made, net of write-back	20	784	1,466
Finance costs		2,091	2,202
Unrealised exchange differences		(1,535)	122
Operating profit before reinvestment in working capital		14,952	8,871
Decrease in stocks and work-in-progress		1,512	1,380
Increase in trade receivables, contract assets and prepayments		(4,086)	(7,079)
Increase in trade and other payables, contract liabilities		6,342	4,814
Cash generated from operations		18,720	7,986
Interest received		282	148
Interest paid		(2,337)	(1,536)
Income taxes paid		(425)	(655)
Net cash generated from operating activities		16,240	5,943
Cash flows from investing activities:			
Purchase of property, plant and equipment	9(a)	(1,044)	(1,611)
Proceeds from disposal of property, plant and equipment	9(b)	18	76
Purchase of computer software	11	(9)	(12)
Disposal of subsidiary, net cash disposed		—	(59)
Net cash used in investing activities		(1,035)	(1,606)
Cash flows from financing activities:			
(Decrease)/increase in bills payable		(6,252)	141
Repayments of bank borrowings		(5,645)	(2,591)
Proceeds from loans from a related party		821	7,978
Repayment of loans to a related party		(96)	(1,222)
Repayment of principal portion of lease liabilities	10(b)	(2,120)	(2,000)
Decrease/(increase) in fixed deposits pledged	23	1,783	(864)
Net cash (used in)/generated from financing activities		(11,509)	1,442
Net increase in cash and cash equivalents		3,696	5,779
Net foreign exchange differences		(194)	(12)
Cash and cash equivalents at beginning of year	22	11,470	5,703
Cash and cash equivalents at end of year	22	14,972	11,470

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

This financial report of Zicom Group Limited (the “Company” or “Parent Entity”) and its subsidiaries (collectively, the “Group” or “consolidated entity”) for the year ended 30 June 2025 was authorised for issue on 30 September 2025 in accordance with a resolution of the Directors.

Zicom Group Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company is also the ultimate parent.

The nature of the operations and principal activities of the Group are described in the Directors’ report.

2. Summary of material accounting policies

2.1 Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”). The financial statements have been prepared on a going concern basis and items are measured on a historical cost basis except for land and buildings, equity financial assets and derivative financial instruments which have been measured at their fair values.

The financial report is presented in Singapore dollars and all values are rounded to the nearest thousand (S\$’000) unless otherwise stated.

Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.2 Basis of consolidation

A list of significant entities in the Group, including subsidiaries and associate as at 30 June 2025 is contained in note 12 Investments in subsidiaries and note 14 Investment in associate.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Parent. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2. Summary of material accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the Parent Entity's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are mandatory for application for annual periods beginning on and after 1 July 2024. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

2.4 Accounting Standards and interpretations issued but not effective

Certain Australian Accounting Standards and Interpretations have been recently issued or amended but are not yet effective. The Group has not early adopted any of these standards, interpretations or amendments and the directors expect the adoption of these new and amended standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.5 Material accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at fair values at the date of acquisition. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines if it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

a) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost (being the excess of the sum of the fair value of the consideration transferred, the amount of non-controlling interests (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of the net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative fair values of the disposed operation and the portion of the cash-generating unit retained.

b) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics and the segments are similar in each of the following respects:

- Nature of the products and services
- Type or class of customer for the products and services
- Methods used to distribute the products or provide the services, and
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, head office expenses, and income tax assets and liabilities. Capital expenditure consists of additions of property, plant and equipment, right-of-use assets and intangible assets.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

c) Foreign currency

(i) Functional and presentation currency

The presentation currency of Zicom Group Limited is Singapore dollars (S\$). Each subsidiary in the Group determines its own functional currency and items included in the financial statements of each subsidiary company are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Differences arising on the settlement or translation of monetary items are recognised in profit or loss.

(iii) Consolidated financial statements

On consolidation, the results and balance sheet of foreign operations are translated into Singapore dollars using the following procedures:

- Assets and liabilities are translated at the closing rate prevailing at the reporting date; and
- Income and expenses are translated at average exchange rate for the year, which approximates the exchange rates at the dates of the transactions.

The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation ("PO") by transferring control of the promised goods and services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30-60 days upon delivery.

Rendering of services

Services are sold separately. Customer receives and consumes the benefits as the entity performs the services and generally has an enforceable right to payment for performance completed to date. The Group therefore recognises revenue from services over time, using an input method based on materials consumed and the actual time spent in the supply of services to measure progress towards complete satisfaction of the service.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

d) Revenue from contracts with customers (cont'd)

Revenue recognised on projects

The Group builds specialised assets for customers through fixed price contracts. Revenue is recognised when the control over the specialised asset has been transferred to the customer and performance obligations are fulfilled. At contract inception, the Group assesses whether the Group transfers control of the asset over time or at a point in time by determining if its performance creates an asset with an alternative use to the Group and whether the Group has an enforceable right to payment for performance completed to date. If the specialised asset has no alternative use for the Group and the Group has an enforceable right to payment arising from contractual terms, revenue is recognised over time using the input method, based on costs incurred, as a measure of Group's progress towards completing the construction of the specialised asset.

For certain contracts where the Group does not have an enforceable right to payment, revenue is recognised only when the completed specialised asset is delivered to the customer and the customer has accepted it in accordance with the contract.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange of goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers goods or services to the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract costs

Incremental costs of obtaining a contract are capitalised as acquisition costs if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract or an anticipated contract which the Group can specifically identify, generate or enhance resources of the Group that will be used in satisfying future performance obligations and are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis that is consistent with the Group's transfer of related goods and services to the customer. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of the capitalised contract cost exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

Significant financing component

Generally, the Group receives short-term advances from its customers which is presented as contract liability. As the period between the transfer of the promised good or service and payment by customer is one year or less, the Group elects the practical expedient in AASB 15 not to adjust for the effects of a significant financing component.

Warranty obligations

Certain contracts include standard warranty terms to give assurance that the Group's products conform with specifications. Warranties are not given in excess of what is typically available and customers do not have an option to purchase a warranty separately. These assurance-type warranties are accounted for under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

2. Summary of material accounting policies (cont'd)**2.5 Material accounting policies (cont'd)****e) Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets and depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment other than land and buildings are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from the fair value.

A revaluation surplus is recorded in other comprehensive income and credited to asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Freehold land has an unlimited useful life and is therefore not depreciated. Depreciation of an asset begins when it is available for use and is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Singapore buildings	15 - 21 years
Thailand buildings	20 years
Machinery	5 - 10 years
Office furniture and equipment	3 - 5 years
Leasehold improvements	5 years or lease term, if shorter
Motor vehicles	5 years
Computers	1 year

Machinery under installation or construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal (i.e at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of material accounting policies (cont'd)**2.5 Material accounting policies (cont'd)****f) Intangible assets**

Intangible assets acquired separately are measured initially at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets with the exception of development expenditure and computer software costs are not capitalised and the related expenditure is recognised in profit or loss in the period in which such expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis.

Intangible assets with indefinite useful lives or not yet available for use are not amortised but are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether it continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets as follows:

Computer software	5 years
Customer list	8 years
Developed technology	7 years
Development expenditure	5 years
Patented technology	10 – 20 years
Unpatented technology	10 – 14 years

Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during development. Amortisation begins when the development is complete and the asset is available for use or sale. Any expenditure so capitalised is amortised over the period of expected benefit from the related project. During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal (i.e at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gains or loss arising from derecognition is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on recent budgets which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in profit or loss unless the asset is measured at revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Associates

The Group holds an interest in an associate, Emage Vision Pte. Ltd. ("EV"). The financial statements of EV are prepared for the same reporting period as the Group and its accounting policies are aligned with those of the Group. Therefore, no adjustments were made when measuring and recognising the Group's share of results of EV.

An associate is an entity over which the Group has significant influence through its power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

On acquisition of the investment, any excess of the cost of investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Such goodwill is neither amortised nor tested for impairment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of investment is included as income in the determination of the Group's share of results of associate in the period in which the investment is acquired.

The Group's investment in associate is accounted for using the equity method from the date it becomes an associate.

Under the equity method, investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the Group's share of results of operations of the associate. Distributions received from associate reduces the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of its interest in the associate.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

h) Associates (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate. The Group determines at each reporting date whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount within the Group's share of results of associate in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the aggregate of fair value of the retained investment and proceeds from disposal and the carrying amount of the associate at the date the equity method was discontinued is recognised in profit or loss.

i) Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

At initial recognition, the Group measures financial assets at fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Subsequent measurement

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVPL) are carried in the balance sheet at fair value with net changes in fair value recognised in profit or loss. This category includes derivative instruments and unlisted equity investments held for trading.

The Group uses derivative instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

i) Financial Instrument (cont'd)

(i) Financial assets (cont'd)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and other cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(ii) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

The Group considers a financial asset in default when contractual payments are significantly delayed from historical payment patterns or when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of bank overdrafts as they are considered an integral part of the Group's cash management.

Bank overdrafts are included within interest-bearing liabilities under current liabilities in the balance sheet.

k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and trading stocks: purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress: cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in, first-out basis.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Fair value measurement

The Group measures some financial instruments such as equity financial assets and derivatives and non-financial assets such as land and buildings at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

m) Fair value measurement (cont'd)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

n) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for assurance-type warranty related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is reviewed annually and revised, if necessary.

Long service leave / retirement benefits

The liabilities for long service leave and retirement benefits, applicable to Australian and Thailand subsidiaries respectively, are recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government or corporate bond rates with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has a contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, it is deducted in arriving at the carrying amount of the asset.

p) Leases

The Group assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of a right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payment that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

p) Leases (cont'd)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease. If otherwise, it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term. Amounts due from lessees under the finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

q) Other income recognition

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

r) Employee benefits

(i) Defined contribution plans

The Group makes contributions to national pension schemes as defined by the laws of the countries in which it has operations.

For its Australian subsidiaries, contributions are made to employee accumulation superannuation funds. For the Group's companies in Singapore, contributions are made to the Central Provident Fund scheme, a defined contribution pension scheme. The subsidiary company incorporated and operating in the People's Republic of China ("PRC") is required to provide certain staff pension benefits to its employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulators and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Contributions to defined contribution pension schemes are recognised as an expense in the year in which the related service is performed.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

r) Employee benefits (cont'd)

(ii) Employee share option plan

Employees (including key management personnel) of the Group receive remuneration in the form of share options as consideration for service rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date of grant using an appropriate valuation model. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the period in which service conditions are fulfilled ("vesting period").

The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The expense or credit to profit or loss for a period represents the movement in cumulative expense recognised as at beginning and end of that period and is recognised in employee costs.

No expense is recognised for options that do not ultimately vest. The share-based payment reserve is transferred to retained earnings upon expiry or forfeiture of the share options after its vesting date. When the options are exercised, the share-based payment reserve is transferred to share capital as new shares are issued.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee.

Where the employee share option plan is cancelled, it is treated as if it has vested on the date of cancellation, and any expense that otherwise would have been recognised for services received over the remaining vesting period is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date it was granted, the cancelled and new awards are treated as if there was a modification of the original award, as described in the previous paragraph.

(iii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled within 12 months from the reporting date is recognised for services rendered by the employees up to the end of the reporting period.

s) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

s) Taxation (cont'd)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences such as recognition of a right-of-use asset and a lease liability; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances changed. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of material accounting policies (cont'd)

2.5 Material accounting policies (cont'd)

s) Taxation (cont'd)

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

- where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

t) Share capital and share issuance expenses

Ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new shares are deducted against share capital.

3. Material accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

(a) Judgements made in applying accounting policies

(i) Determination of control and significant influence over investee

As at 30 June 2025, the Group holds 16.29% (2024: 16.29%) equity interest in Eimage Vision Pte. Ltd. ("EV"). The Group considers EV as an associate as the Group has the ability to exercise significant influence through both its shareholdings and active participation on the Board of Directors.

(ii) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. Relevant factors include the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans the Group has in place for the future use of the asset.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Revaluation of land and buildings

The Group carries its land and buildings at fair value. Changes in fair values of land and buildings are accounted for as set out in our accounting policy note 2.5(e). The fair value of land and buildings are determined by accredited external valuers using recognised valuation techniques. These techniques comprise market comparison approach, replacement cost approach and income approach.

The determination of the fair value of the land and buildings requires the use of estimates such as:

- sales of similar properties that have been transacted in the open market with adjustments made for differences in factors that affect value;
- an estimate of the current market value of the land plus the current gross replacement of improvements, less allowances for physical deterioration, obsolescence and optimisation; and
- capitalisation of net rental income taking into consideration factors such as vacancy rates and rental growth rates.

3. Material accounting judgements, estimates and assumptions (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(ii) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix by age bracket to calculate ECLs for trade receivables and contract assets. The provision rates are based on number of days past due for groupings of various customer segments that have similar credit risk characteristics.

The provision matrix is initially based on the Group's historical observed default rates and subsequently calibrated to adjust historical credit loss experience with forward-looking information. At each reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The Group also assesses at the end of each reporting period whether there is any objective evidence that the receivables and contract balances are credit-impaired based on factors such as insolvency, financial difficulties or significant delay in repayments.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. The information on ECLs on the Group's trade receivables is disclosed in note 16 to the financial statements.

(iii) Revenue recognised on projects

For contracts where the Group has an enforceable right to payment, revenue is recognised over time using the input method, based on the proportion of costs incurred to date bear to estimated total contract costs, as a measure of entity's performance in transferring control of goods and services. Material judgement is used to estimate the total contract costs which will determine the amount of revenue recognised on projects. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amounts of contract assets and liabilities at the balance sheet date are disclosed in note 5 to the financial statements.

(iv) Impairment of non-financial assets and investment in associate

The Group assesses whether there are any indicators of impairment for all non-financial assets and investment in associate at each reporting date. Impairment exists when the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount which is the higher of its fair value less costs of disposal and its value in use.

Goodwill and other intangibles with indefinite lives are tested for impairment annually and at other times when such indicators exist. Other non-financial assets and investment in associate are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

The fair value less costs of disposal calculation is based on available data from binding sales transactions conducted at arm's length for similar assets or observable market prices less incremental costs of disposing the assets. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

3. Material accounting judgements, estimates and assumptions (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iv) Impairment of non-financial assets and investment in associate (cont'd)

When value in use calculations are undertaken to determine the recoverable amount, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is sensitive to the discount rate used in the DCF model, future cash inflows including the timing of such cash inflows and the growth rates used for both the initial five-year cash flow period and long-term growth rates. Whilst these decisions are based on information available to date, it also involves a material level of judgement. These estimates are most relevant to goodwill and other intangible assets recognised by the Group.

The key assumptions used to determine the recoverable amounts for the different cash-generating units are disclosed in note 11 to the financial statements.

(v) Taxes

The Group has exposure to income taxes in several jurisdictions. Material judgement is involved in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. The Group recognises deferred tax assets for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Material judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's current tax payables and deferred tax liabilities as at 30 June 2025 were S\$1,434,000 (2024: S\$482,000) and S\$3,577,000 (2024: S\$3,648,000) respectively. The Group also had deferred tax assets of S\$2,108,000 (2024: S\$2,054,000) as at 30 June 2025.

(vi) Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay" which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain region and entity-specific estimates (such as subsidiary's standalone credit rating).

(vii) Fair valuation of equity financial assets

The fair value of unlisted equity financial assets is determined by accredited external valuer using market approach via guideline publicly traded companies method. The valuation requires management to make certain assumptions about model inputs such as:

- Growth rates: estimates were made on revenue growth based on information available to date but actual performance may differ from such estimates; and
- market multiples: whilst care has been taken to select companies most comparable to the equity financial asset, the actual performance of the equity financial asset may differ from these comparable companies.

Whilst these decisions are based on information available to date, it also involves a material level of judgement. The key assumptions used are disclosed in note 13 to the financial statements.

4. Segment information

Business 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:

- Green Energy, Gas & Marine Equipment
 - design and supply of LNG propulsion systems, deck machinery, gas metering stations, compressor stations, gas processing plants and related equipment, parts and services.
- Construction Equipment
 - manufacture and supply of concrete mixers, foundation equipment, hydraulic drive systems, including foundation equipment rental, parts and related services.
- Precision Engineering & Technologies
 - contract manufacturing of medical devices and full turnkey equipment, factory automation solutions and related parts and services.

Intersegment sales

Intersegment sales are recognised based on internally set transfer price at arm's length basis.

Unallocated revenue and expenses

Unallocated revenue comprises mainly non-segmental revenue. Unallocated expenses comprise mainly non-segmental expenses such as head office expenses.

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

4. Segment information (cont'd)

Business segments (cont'd)

The following tables present information regarding operating segments for continuing operations for the years ended 30 June 2025 and 2024.

	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Consolidated S\$'000
Year ended 30 June 2025				
Revenue				
Revenue from contracts with customers	72,001	30,624	29,253	131,878
Rental income	—	3,062	—	3,062
Other revenue	283	179	81	543
Intersegment sales	—	—	5	5
Total segment revenue	72,284	33,865	29,339	135,488
Intersegment elimination				(5)
Unallocated revenue				51
Interest income				236
Total consolidated revenue				135,770
Results				
Segment results	9,101	548	2,790	12,439
Unallocated revenue				51
Unallocated expenses				(2,507)
Share of results of associate			(28)	(28)
Profit before tax and finance costs				9,955
Finance costs				(2,091)
Interest income				236
Profit before taxation				8,100
Tax expense				(442)
Profit after taxation				7,658
Other segment information				
Capital expenditure				
- property, plant and equipment	10	1,782	332	2,124
- right-of-use assets	—	378	149	527
- intangible assets	—	9	—	9
				2,660
Depreciation and amortisation	256	3,074	688	4,018
Other non-cash expenses	561	380	381	1,322

In the current financial year, revenue from 2 (2024:3) customers of Green Energy, Gas & Marine Equipment represents approximately 51% (2024: 49%) of the Group's revenue from contracts with external customers.

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

4. Segment information (cont'd)

Business segments (cont'd)

	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Consolidated S\$'000
Year ended 30 June 2024				
Revenue				
Revenue from contracts with customers	63,241	36,538	19,861	119,640
Rental income	—	2,801	—	2,801
Other revenue	77	435	8,388	8,900
Intersegment sales	—	—	1	1
Total segment revenue	63,318	39,774	28,250	131,342
Intersegment elimination				(1)
Unallocated revenue				22
Interest income				201
Total consolidated revenue				131,564
Results				
Segment results	4,263	2,164	5,312	11,739
Unallocated revenue				22
Unallocated expenses				(2,029)
Share of results of associate			(385)	(385)
Loss before tax and finance costs				9,347
Finance costs				(2,202)
Interest income				201
Profit before taxation				7,346
Tax expense				(831)
Profit after taxation				6,515
Other segment information				
Capital expenditure				
- property, plant and equipment	7	1,613	129	1,749
- right-of-use assets	—	1,508	10	1,518
- intangible assets	8	4	—	12
				3,279
Depreciation and amortisation	309	2,880	963	4,152
Other non-cash expenses	1,138	567	383	2,088

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

4. Segment information (cont'd)

Geographical segments

The Group's geographical segments for revenue and non-current assets are determined based on location of customers and assets respectively.

The following table presents revenue and certain assets information regarding geographical segments for the years ended and as at 30 June 2025 and 2024.

30 June 2025

	Australia	Malaysia	Singapore	China	United States	Bangladesh	Thailand	New Zealand	Switzerland	Philippines	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue												
Revenue from contracts with customers	17,618	1,507	34,893	404	722	69,104	1,063	985	1,656	1,064	2,862	131,878
Rental income	381	424	1,897	—	—	—	163	—	—	197	—	3,062
Other revenue from external customers	98	4	560	1	—	—	24	—	—	—	143	830
												<u>135,770</u>
Other segment information												
Segment non-current assets	3,373	387	31,564	218	—	—	8,532	—	—	151	333	44,558
Investment in associate	—	—	1,905	—	—	—	—	—	—	—	—	1,905
Equity financial assets	—	—	—	6,354	—	—	—	—	—	—	—	6,354
Unallocated assets											—	2,108
												<u>54,925</u>
Capital expenditure												
- property, plant and equipment	95	136	1,600	3	—	—	50	—	—	25	221	2,130
- right-of-use assets	26	93	12	283	—	—	4	—	—	24	85	527
- intangible assets	—	—	9	—	—	—	—	—	—	—	—	9
												<u>2,666</u>

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

4. Segment information (cont'd)

Geographical segments (cont'd)

30 June 2024

	Australia	Malaysia	Singapore	China	United States	Bangladesh	Thailand	New Zealand	Switzerland	Philippines	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue												
Revenue from contracts with customers	23,181	2,276	20,346	5,143	545	58,362	2,655	653	1,976	2,750	1,753	119,640
Rental income	408	347	1,683	—	—	—	181	—	—	182	—	2,801
Other revenue from external customers	31	78	586	8,278	—	16	125	—	—	—	9	9,123
												<u>131,564</u>
Other segment information												
Segment non-current assets	4,384	278	31,029	235	—	1,142	8,285	—	—	120	101	45,574
Investment in associate	—	—	1,933	—	—	—	—	—	—	—	—	1,933
Unallocated assets												2,054
												<u>49,561</u>
Capital expenditure												
- property, plant and equipment	591	—	1,062	7	—	—	28	—	—	37	34	1,759
- right-of-use assets	60	—	1,150	287	—	—	—	—	—	21	—	1,518
- intangible assets	3	—	8	—	—	—	1	—	—	—	—	12
												<u>3,289</u>

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

2025	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Total S\$'000
Primary geographical markets				
Australia	22	17,594	2	17,618
Singapore	135	9,485	25,273	34,893
Philippines	164	900	–	1,064
China	400	–	4	404
Bangladesh	69,104	–	–	69,104
Others	2,176	2,645	3,974	8,795
Total	72,001	30,624	29,253	131,878
Main revenue streams				
Sales of goods	986	27,126	24,756	52,868
Rendering of services	268	3,498	346	4,112
Revenue recognised on projects	70,747	–	4,151	74,898
Total	72,001	30,624	29,253	131,878
Timing of transfer of goods and services				
At a point in time	3,039	27,126	24,756	54,921
Over time	68,962	3,498	4,497	76,957
Total	72,001	30,624	29,253	131,878
2024				
	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Total S\$'000
Primary geographical markets				
Australia	–	23,173	8	23,181
Singapore	405	5,432	14,509	20,346
Philippines	43	2,707	–	2,750
China	3,760	180	1,203	5,143
Bangladesh	58,362	–	–	58,362
Others	671	5,046	4,141	9,858
Total	63,241	36,538	19,861	119,640
Main revenue streams				
Sales of goods	333	34,033	17,672	52,038
Rendering of services	121	2,505	455	3,081
Revenue recognised on projects	62,787	–	1,734	64,521
Total	63,241	36,538	19,861	119,640
Timing of transfer of goods and services				
At a point in time	1,003	34,033	17,672	52,708
Over time	62,238	2,505	2,189	66,932
Total	63,241	36,538	19,861	119,640

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

5. Revenue from contracts with customers (cont'd)

(b) Contract balances

	Consolidated	
	2025 S\$'000	2024 S\$'000
Trade receivables	26,723	13,442
Contract assets	10,579	15,061
Contract liabilities	(8,119)	(5,402)

Trade receivables are non-interest bearing and are generally due when invoiced or on 30 to 60 days' term.

Contract assets mainly relate to the Group's rights to consideration for work completed on specialised assets built for customers but not invoiced as at the reporting date. Contract assets are transferred to trade receivables when the rights become unconditional. Contract assets have decreased as compared to 30 June 2024 as invoices were raised during the current financial year in line with agreed milestones. No contract asset was written off during the current financial year. During the previous financial year, contract asset relating to a project on hold for many years amounting to S\$437,000 was written off.

Contract liabilities are primarily advance consideration received or due from customers amounting to S\$nil (2024: S\$25,000) for which revenue is recognised over time and S\$8,119,000 (2024: S\$5,377,000) for which revenue is recognised at a point in time. Contract liabilities have increased as advance consideration were received for deck machinery orders secured during the year.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Contract assets		Contract liabilities	
	2025 S\$'000	2024 S\$'000	2025 S\$'000	2024 S\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	—	—	3,924	6,402
Increase due to cash received and advance billing, excluding amounts recognised as revenue during the year	—	—	(6,641)	(4,529)
Contract asset reclassified to trade receivables	(15,061)	(4,843)	—	—
Recognition of revenue, net of trade receivables recognised	10,579	15,061	—	—

(c) Transaction price allocated to remaining performance obligations

The Group applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

The Group had been awarded two contracts by the Government of the Republic of Singapore. The first is to supply, implement and maintain fully automated systems for the administration, labelling and processing of urine samples for a total value of S\$16,989,000. The second contract is to design and build a system to automate the handling of exhibits.

Revenue expected to be recognised in the future, relating to performance obligations unsatisfied as at 30 June 2025, amounts to S\$7,666,000 for financial year 2026 and S\$11,616,000 for the financial years 2027 till 2031.

Zicom Group Limited**Notes to the Consolidated Financial Statements**

(In Singapore dollars)

6. Other income and expenses

(i) Other revenue

	Consolidated	
	2025	2024
	\$'000	\$'000
Bad debt recovered	31	—
Gain on disposal of property, plant and equipment	12	152
Gain on disposal of subsidiary	—	8,275
Government grants	143	79
Interest income	236	201
Other revenue	77	223
Sales of scrap	35	80
Services rendered	131	66
Trade and other payables written back	165	47
	<u>830</u>	<u>9,123</u>

(ii) Other operating expenses

Included in other operating expenses are the following:

	Consolidated	
	2025	2024
	\$'000	\$'000
Allowance for/(write-back of) inventory obsolescence, net of reversal	232	(505)
Bad debts written off	9	534
Bank charges	1,018	1,103
Contract assets written off	—	437
Foreign exchange (gain)/loss	(73)	30
Intangible assets written off	—	32
Inventories written off	224	6
Provision for liquidated damages	38	—
Provision for product warranties made, net of reversal	697	1,390
Sales commission	3,893	3,664
Sea freight	5,150	1,984
Warranty expense charged directly to profit or loss	84	5
(Write back of)/allowance for impairment and expected credit losses, net of reversal	(3)	90

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

7. Taxation

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Current income tax		
- Current income tax charge	(1,825)	(1,725)
- Loss transferred under Group Relief Scheme	339	1,024
- Adjustments in respect of previous years	453	(84)
Deferred income tax		
- Relating to the origination and reversal of temporary differences	268	9
- Adjustments in respect of previous years	323	(55)
Tax expense recognised in profit & loss	(442)	(831)
Net surplus on revaluation of buildings	(328)	(462)
Deferred tax recognised in other comprehensive income	(328)	(462)

A reconciliation between the tax expense and the product of accounting profit of the Group multiplied by the applicable tax rate for the year ended 30 June is as follows:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Profit before taxation	8,100	7,346
Tax expense at the domestic rates in the countries where the Group operates	(1,715)	(1,776)
Release of deferred tax liability on intangible assets	5	42
Release of deferred tax liability on revalued properties	210	164
Non-deductible expenses	(340)	(438)
Non-taxable income	131	1,637
Partial tax exemption	111	26
Deferred tax assets not recognised	(365)	(544)
Utilisation of previously unrecognised tax losses	704	197
Adjustments in respect of previous years	776	(139)
Enhanced tax deductions	5	3
Others	36	(3)
Tax expense	(442)	(831)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

7. Taxation (cont'd)

Deferred taxation as at 30 June relates to the following:

	At 30 June 2023	Recognised in profit or loss (charge)/credit	Recognised in other comprehensive income	Disposal of subsidiary	Translation/ adjustments	At 30 June 2024	Recognised in profit or loss (charge)/credit	Recognised in other comprehensive income	Translation/ adjustments	At 30 June 2025
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax assets										
Property, plant and equipment	(331)	55	—	5	—	(271)	85	—	10	(176)
Intangible assets	(38)	23	—	17	(1)	1	—	—	—	1
Leases	8	7	—	—	—	15	(63)	—	—	(48)
Provisions	352	595	—	(3)	5	949	617	—	(67)	1,499
Unutilised tax losses	1,921	(476)	—	(234)	(2)	1,209	(513)	—	(21)	675
Unutilised capital allowances	415	(251)	—	(17)	—	147	14	—	(3)	158
Others	—	4	—	—	—	4	(5)	—	—	(1)
	2,327	(43)	—	(232)	2	2,054	135	—	(81)	2,108
Deferred tax liabilities										
Property, plant and equipment										
– at cost	(274)	(376)	—	—	—	(650)	402	—	—	(248)
– at revaluation	(2,894)	163	(462)	—	25	(3,168)	209	(328)	(57)	(3,344)
Intangible assets	(76)	43	—	15	—	(18)	5	—	—	(13)
Leases	38	5	—	—	—	43	7	—	—	50
Unutilised capital allowances	—	167	—	—	—	167	(167)	—	—	—
Others	(17)	(5)	—	—	—	(22)	—	—	—	(22)
	(3,223)	(3)	(462)	15	25	(3,648)	456	(328)	(57)	(3,577)
Tax (expense)/benefit		(46)					591			

The Group has tax losses and capital allowances of S\$21,535,000 (2024: S\$15,910,000) and S\$358,000 (2024: S\$341,000) respectively that are available for offset against future taxable profits of the companies in which these arose. Whilst unabsorbed losses can be carried forward indefinitely, unabsorbed capital allowance must be used to offset income from the same business source. These deferred tax assets have not been recognised as they have arisen in subsidiaries that do not have strong evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by S\$4,126,000 (2024: S\$3,455,000).

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

8. Earnings per share

Basic earnings per share is calculated by dividing the Group's profit or loss attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

For purposes of calculating diluted earnings per share, profit or loss attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding are adjusted for effects of all dilutive potential shares.

	Consolidated	
	2025 S\$'000	2024 S\$'000
Net profit attributable to equity holders of the Parent	7,748	6,618
Parent Entity		
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)	214,560	214,560
Singapore cents		
Basic and diluted earnings per share	3.61	3.08

There have been no transactions involving ordinary or potential ordinary shares which occurred between the reporting date and the date of completion of these financial statements.

Notes to the Consolidated Financial Statements

(In Singapore dollars)

9. Property, plant and equipment

Consolidated	Freehold land S\$'000	Singapore buildings S\$'000	Thailand buildings S\$'000	Plant and equipment S\$'000	Leasehold improvements S\$'000	Motor vehicles S\$'000	Total S\$'000
<u>Cost/Valuation</u>							
At 1.7.2024	4,885	45,090	8,845	40,454	2,515	1,508	103,297
Currency realignment	310	—	561	(228)	(13)	(21)	609
Additions	—	—	1	1,956	49	124	2,130
Disposals	—	—	—	(116)	—	(35)	(151)
Transfer from right-of-use assets	—	—	—	91	—	122	213
Reclassification to inventories	—	—	—	(304)	—	—	(304)
Revaluation surplus	—	4,249	1,826	—	—	—	6,075
Write off	—	—	—	(301)	—	—	(301)
At 30.6.2025	5,195	49,339	11,233	41,552	2,551	1,698	111,568
<u>Accumulated depreciation</u>							
At 1.7.2024	—	27,590	6,520	32,373	2,440	1,338	70,261
Currency realignment	—	—	413	(113)	(14)	(15)	271
Charge for 2025	—	1,205	472	1,741	50	61	3,529
Disposals	—	—	—	(116)	—	(29)	(145)
Reclassification	—	—	—	7	(7)	—	—
Transfer from right-of-use assets	—	—	—	90	—	122	212
Reclassification to inventories	—	—	—	(120)	—	—	(120)
Revaluation adjustment	—	2,769	1,439	—	—	—	4,208
Write off	—	—	—	(301)	—	—	(301)
At 30.6.2025	—	31,564	8,844	33,561	2,469	1,477	77,915
Net carrying value							
At 30.6.2025	5,195	17,775	2,389	7,991	82	221	33,653

9. Property, plant and equipment (cont'd)

Consolidated	Freehold land S\$'000	Singapore buildings S\$'000	Thailand buildings S\$'000	Plant and equipment S\$'000	Leasehold improvements S\$'000	Motor vehicles S\$'000	Total S\$'000
<u>Cost/Valuation</u>							
At 1.7.2023	4,453	41,766	7,214	39,899	2,518	1,698	97,548
Currency realignment	(156)	—	(251)	(89)	(3)	(7)	(506)
Additions	—	—	19	1,675	—	65	1,759
Disposals	—	—	(72)	(23)	—	(101)	(196)
Disposals of subsidiary	—	—	—	(365)	—	—	(365)
Transfer from right-of-use assets	—	—	—	528	—	—	528
Adjustment	—	—	—	63	—	—	63
Reclassification to inventories	—	—	—	(1,038)	—	—	(1,038)
Revaluation surplus	588	3,324	1,935	—	—	—	5,847
Write off	—	—	—	(196)	—	(147)	(343)
At 30.6.2024	4,885	45,090	8,845	40,454	2,515	1,508	103,297
<u>Accumulated depreciation</u>							
At 1.7.2023	—	24,631	4,992	31,603	2,406	1,540	65,172
Currency realignment	—	—	(180)	(94)	(2)	(8)	(284)
Charge for 2024	—	1,065	353	1,665	36	54	3,173
Disposals	—	—	(72)	(23)	—	(101)	(196)
Disposals of subsidiary	—	—	—	(337)	—	—	(337)
Transfer from right-of-use assets	—	—	—	287	—	—	287
Adjustment	—	—	—	(13)	—	—	(13)
Reclassification to inventories	—	—	—	(519)	—	—	(519)
Revaluation adjustment	—	1,894	1,427	—	—	—	3,321
Write off	—	—	—	(196)	—	(147)	(343)
At 30.6.2024	—	27,590	6,520	32,373	2,440	1,338	70,261
Net carrying value							
At 30.6.2024	4,885	17,500	2,325	8,081	75	170	33,036

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

9. Property, plant and equipment (cont'd)

- (a) During the year, the Group acquired property, plant and equipment with an aggregate cost of S\$2,130,000 (2024: S\$1,759,000) of which S\$1,044,000 (2024: S\$1,611,000) was settled in cash and the remaining balance of S\$1,086,000 (2024: S\$148,000) relates to amounts previously included in the inventories but converted and capitalised as fixed asset during the current financial year.
- (b) During the financial year, the Group disposed of property, plant and equipment with an aggregate net book value of S\$6,000 (2024: S\$nil). Sales proceeds amounting to S\$18,000 (2024: S\$76,000) were received in cash. Prior year's gain on disposal also included an amount of S\$76,000 reflected as an adjustment.
- (c) The net book value of property, plant and equipment pledged as security are as follows:

	Consolidated	
	2025 S\$'000	2024 S\$'000
Singapore buildings	11,256	17,500
Freehold land and buildings in Thailand	7,584	7,210
	<u>18,840</u>	<u>24,710</u>

Please refer to note 19 for details.

- (d) Revaluation of land and buildings
- i) The fair values of land and buildings are determined by accredited external valuers using a combination of recognised valuation techniques. The carrying values of land and buildings were supported by valuations performed as at 31 December 2024 or 30 June 2025.

In arriving at the fair values, valuers have relied on proprietary databases of active market prices of transactions for properties of similar nature, location and condition.

Considering the nature and complexity of the significant inputs, the Group has classified the fair value of the Group's land and buildings within Level 3 of the fair value hierarchy. There were no transfers between the different levels during the year.

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(In Singapore dollars)

9. Property, plant and equipment (cont'd)

(d) Revaluation of land and buildings (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs:

Description	Valuation techniques	Key unobservable inputs	Interrelationship between unobservable inputs and fair value measurement
Buildings, Singapore	Market Comparison Approach ⁽¹⁾	Comparable prices: S\$936 to S\$1,330 (2024: S\$850 to S\$1,369) per square meter	The estimated fair value increases with higher comparable price
Land and buildings, Thailand	Market Comparison Approach and Replacement Cost Approach ⁽²⁾	Comparable prices: 24,950 to 27,500 (2024: 24,950 to 27,500) baht per square wah	The estimated fair value increases with higher comparable price

⁽¹⁾ Market comparison approach considers the sales of similar properties that have been transacted in the open market with adjustment made for differences in factors that affect value.

⁽²⁾ Replacement cost approach is based on an estimate of the current market value of land, plus the current gross replacement of improvements, less allowance for physical deterioration, obsolescence and optimisation.

ii) The carrying amounts of land and buildings if measured using the cost model, would be as follows:

	Consolidated	
	2025 S\$'000	2024 S\$'000
Freehold land	1,736	1,633
Singapore buildings	3,850	4,116
Thailand buildings	961	1,112
	<u>6,547</u>	<u>6,861</u>

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

10. Right-of-use assets and leases

a. Right-of-use assets

Consolidated

	Land and buildings S\$'000	Plant and equipment S\$'000	Motor vehicles S\$'000	Total S\$'000
At 1.7.2023	7,906	384	3	8,293
Currency realignment	(7)	–	–	(7)
Additions	385	1,133	–	1,518
Transfer to property, plant and equipment	–	(241)	–	(241)
Write off	–	(14)	–	(14)
Depreciation charge for the year	(1,730)	(192)	(3)	(1,925)
At 30.6.2024	6,554	1,070	–	7,624
Currency realignment	(122)	(7)	–	(129)
Additions	485	42	–	527
Transfer to property, plant and equipment	–	(1)	–	(1)
Depreciation charge for the year	(1,706)	(135)	–	(1,841)
At 30.6.2025	5,211	969	–	6,180

b. Leases liabilities

	Consolidated	
	2025 S\$'000	2024 S\$'000
As at 1 July	7,874	8,375
Additions	527	1,518
Finance costs	331	405
Write off	–	(14)
Payments	(2,451)	(2,405)
Currency realignment	(79)	(5)
As at 30 June	6,202	7,874
Lease liabilities		
Current	1,551	1,735
Non-current	4,651	6,139
	6,202	7,874

c. Amounts recognised in profit or loss

Included in property related expenses in the profit or loss for the financial year ended 30 June 2025 were expenses relating to short-term leases amounting to S\$114,000 (2024: S\$76,000) and expenses relating to the leases of low-value assets, excluding short-term leases of low-value assets, amounting to S\$nil (2024: S\$3,000).

d. Group as a lessor

Rental income recognised by the Group during the year is \$3,062,000 (2024: \$2,801,000). As at 30 June 2025, trade receivables amounting to S\$1,706,000 (2024: S\$1,654,000) are related to rental. The Group's lease arrangements as lessor are generally short-term.

Zicom Group Limited
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(In Singapore dollars)

11. Intangible assets

Consolidated	Customer list	Developed technology	Goodwill	Development expenditure	Computer software	Unpatented technology	Patented technology	Total
	SS\$'000	SS\$'000	SS\$'000	SS\$'000	SS\$'000	SS\$'000	SS\$'000	SS\$'000
<u>Cost</u>								
At 1.7.2023	918	1,141	5,398	2,015	2,560	3,366	174	15,572
Currency realignment	—	—	5	—	(6)	—	—	(1)
Additions	—	—	—	—	12	—	—	12
Write off	—	—	—	—	(68)	—	(9)	(77)
Disposal of subsidiary	—	—	—	(2,015)	(216)	(3,049)	(165)	(5,445)
At 30.6.2024	918	1,141	5,403	—	2,282	317	—	10,061
Currency realignment	—	—	(133)	—	(21)	—	—	(154)
Additions	—	—	—	—	9	—	—	9
Write off	—	—	—	—	(19)	—	—	(19)
Reclassification	—	—	—	—	(1)	—	1	—
At 30.6.2025	918	1,141	5,270	—	2,250	317	1	9,897
<u>Amortisation and impairment</u>								
At 1.7.2023	918	1,141	664	2,015	2,395	2,920	65	10,118
Currency realignment	—	—	—	—	(4)	—	—	(4)
Amortisation	—	—	—	—	71	250	12	333
Write off	—	—	—	—	(45)	—	—	(45)
Disposal of subsidiary	—	—	—	(2,015)	(204)	(2,959)	(77)	(5,255)
At 30.6.2024	918	1,141	664	—	2,213	211	—	5,147
Currency realignment	—	—	—	—	(21)	—	—	(21)
Amortisation	—	—	—	—	33	32	—	65
Write off	—	—	—	—	(19)	—	—	(19)
Reclassification	—	—	—	—	—	—	—	—
At 30.6.2025	918	1,141	664	—	2,206	243	—	5,172
Net carrying value								
At 30 June 2025	—	—	4,606	—	44	74	1	4,725
At 30 June 2024	—	—	4,739	—	69	106	—	4,914

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

11. Intangible assets (cont'd)

	Unpatented technology
Average remaining amortisation period (years) – 2025	<u>2.3</u>
Average remaining amortisation period (years) – 2024	<u>3.3</u>

Assets by business segment:

Assets and investments in associates by business segment are summarised as follows:

	Green Energy, Gas & Marine Equipment S\$'000	Construction Equipment S\$'000	Precision Engineering & Technologies S\$'000	Unallocated S\$'000	Total S\$'000
Property plant and equipment	7,469	18,472	661	7,051	33,653
Right-of-use assets	738	3,147	1,248	1,047	6,180
Intangible assets other than goodwill	92	17	7	3	119
Goodwill	–	1,631	2,975	–	4,606
Equity financial assets	–	–	6,354	–	6,354
Investment in associate	–	–	1,905	–	1,905
	<u>8,299</u>	<u>23,267</u>	<u>13,150</u>	<u>8,101</u>	<u>52,817</u>

Green Energy, Gas & Marine Equipment

The assets in this segment relate predominantly to Zicom Private Limited and Zicom Equipment Private Limited. The most significant asset in this segment relates to a building at 9 Tuas Avenue 9, Singapore amounting to S\$6.5m carried at fair value supported by accredited external valuation performed as at 31 December 2024. The other most significant asset is the right-of-use asset relating to a 30-year lease for the land where the building at 9 Tuas Avenue 9 sits amounting to S\$0.7m. This segment has, during the current financial year, successfully executed the engineering and construction of 6 processing plants. This segment also has outstanding secured orders amounting to S\$30.1m as at financial year-end supporting the carrying value of the non-current assets.

Construction Equipment

The assets in this segment relate predominantly to Foundation Associates Engineering Private Limited, Cescio Australia Limited and Zicom Cescio Engineering Co. Ltd. This segment which manufactures and supply concrete mixers and foundation equipment including equipment rental continues to generate positive cash flows. Due to the goodwill that arose from the acquisition of Cescio Australia Limited, an impairment analysis is performed annually.

Precision Engineering & Technologies

The assets in this segment relate predominantly to Sys-Mac Automation Engineering Pte. Ltd. (“Sys-Mac”). Due to the goodwill that arose from acquisition of Sys-Mac, an annual impairment assessment is performed.

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(In Singapore dollars)

11. Intangible assets (cont'd)

Unallocated

The most significant asset in this segment represents a building at 29 Tuas Avenue 3, Singapore and its right-of-use asset arising from 30+30 year lease for the land where the building at 29 Tuas Avenue 3 sits amounting to S\$7.0m and S\$1.0m respectively. The building is carried at fair value supported by valuation report from accredited external valuer as at 31 December 2024.

Impairment tests for goodwill

Goodwill acquired through business combinations are allocated to the individual entity which is also the cash-generating unit (CGU). These entities fall within the Precision Engineering & Technologies and Construction Equipment segments of the Group as outlined above.

Consolidated	As at 30.6.2025 S\$'000	As at 30.6.2024 S\$'000	Basis on which recoverable values are determined	Pre-tax discount rate per annum 2025	2024
<i>Carrying value of capitalised goodwill based on cash-generating units</i>					
Sys-Mac Automation Engineering Pte. Ltd.	2,975	2,975	Value in use	11.0%	11.0%
Cesco Australia Limited	1,631	1,764	Value in use	14.5%	14.5%
	4,606	4,739			

In accordance with AASB 136, the carrying value of the Group's goodwill on acquisition was assessed for impairment as at 30 June 2025.

The recoverable amount of each CGU is determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a 5-year period. Budgeted revenue and gross margin in the financial budgets are based on past performance and its expectation of market development. Long term growth rate of 1.0% to 2.5% (2024: 1.0% to 2.5%) were used for the above cash-generating units.

Cesco Australia Limited ("CAL")

Cesco Australia Limited operates in the construction industry in the manufacturing of cement mixers. The recoverable amount of the CGU has been determined based on value in use calculation using cash flow projections from financial budgets that was approved by management covering a 5-year period. The cash flows beyond 5 years were extrapolated using a long-term growth rate of 2.5% (2024: 2.5%) based on market information consistent for the industry it operates in. The cash flows for the first 5 years included growth of between 0% and 20% (2024: 0% and 32%). Based on the value in use calculation, the recoverable amount was in excess of its carrying value and hence, management concludes that there is no impairment in this CGU.

Sys-Mac Automation Engineering Pte. Ltd. ("Sys-Mac")

Sys-Mac is involved in contract manufacturing and system integration which includes machining works, design and build of customised automation solutions and systems. The recoverable amount of the CGU has been determined based on value in use calculation using cash flow projections from financial budgets that was approved by management covering a 5-year period. The cash flows beyond 5 years were extrapolated using a long-term growth rate of 1% (2024: 1%) based on market information consistent for the industry it operates in. The cash flows for the first 5 years included growth of between 0% and 43% (2024: 0% and 80%). Based on the value in use calculation, the recoverable amount was in excess of its carrying value and hence, management concludes that there is no impairment in this CGU.

11. Intangible assets (cont'd)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions:

The calculations of value in use (VIU) for the Sys-mac and CAL CGUs are most sensitive to the following assumptions:

- Gross margins
- Pre-tax discount rates
- Market share assumptions
- Growth rate estimates
- Timing of cash flows

Budgeted gross margins – Gross margins are based on average values achieved in the three years preceding the start of the budget period or if unavailable, based on management assessment of the markets. These are increased over the budget period for anticipated efficiency improvements. Decreased demand can lead to a decline in gross margin. For Sys-Mac, a decrease in gross margin of more than 15% (2024: 15%) may result in impairment adjustment. For CAL, a decrease in gross margin of more than 5% (2024: 4%) may result in impairment adjustment.

Pre-tax discount rates – Discount rate reflect the current market assessment of the risk specific to the CGUs, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. In determining appropriate discount rates for each unit, regard has been given to the weighted average cost of capital of the entity as a whole and the yield on a 10-15 year government bond at the beginning of the budgeted year. CGU's specific risk is incorporated in the discount rate by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. A rise in the pre-tax discount rate by 10 and 3 percentage points (2024: 17 and 3 percentage points) or above may result in impairment adjustments for Sys-Mac and CAL CGUs respectively.

Market share assumptions – These assumptions are important because management assesses how the CGU's position relative to its competitors may change over the forecast period.

Growth rates – These are used to extrapolate cash flow projections beyond the period covered by the most recent budgets and are based on management's assessment of the markets and do not exceed the long-term average growth rate for the industries relevant to the CGUs. Management acknowledges that the speed of technological change and the possibility of new entrants can have a significant impact on growth rates. Growth rates can also impact on the margins achieved by the CGUs as discussed above. Should the long-term growth rate be disregarded, there is still no impairment required for both Sys-Mac and CAL CGUs.

Summary of sensitivity to changes in assumptions

Management believe that no reasonably possible change in any of the above key assumptions would cause its carrying value to materially exceed its recoverable amount.

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

12. Investments in subsidiaries

	Parent Entity	
	2025 S\$'000	2024 S\$'000
Investments in controlled entities, at cost	54,544	54,544
Less: Impairment loss	—	(115)
	<u>54,544</u>	<u>54,429</u>

The consolidated financial statements include the financial statements of Zicom Group Limited and the subsidiaries listed in the following table.

Name of Company	Country of incorporation/ formation	Carrying value of Parent Entity investment		Percentage of equity held by the Group	
		2025 S\$'000	2024 S\$'000	2025 %	2024 %
<i>Held by the Company:</i>					
Cesco Australia Limited	Australia	10,369	10,254	100	100
Zicom Holdings Private Limited	Singapore	44,175	44,175	100	100
<i>Controlled entities held through subsidiary companies:</i>					
Cesco Equipment Pty Ltd	Australia	—	—	100	100
Cesco CM Holdings Pte. Ltd.	Singapore	—	—	100	100
Zicom Private Limited	Singapore	—	—	100	100
Zicom Energy Solutions Private Limited	Singapore	—	—	59	59
Zicom Equipment Private Limited	Singapore	—	—	100	100
Link Vue Systems Pte. Ltd.	Singapore	—	—	72	72
Foundation Associates Engineering Private Limited	Singapore	—	—	100	100
FAE Construction Pte. Ltd.	Singapore	—	—	100	100
FAEQUIP Corporation	Philippines	—	—	100	100
FAE Thai Company Limited	Thailand	—	—	100	100
Sys-Mac Automation Engineering Pte. Ltd.	Singapore	—	—	100	100
MTA-Sysmac Automation Pte. Ltd.	Singapore	—	—	61	61
iPtec Pte. Ltd.	Singapore	—	—	—	100
PT. Sys-Mac Indonesia	Indonesia	—	—	100	100
Sysmac Integration Technologies Sdn. Bhd.	Malaysia	—	—	100	—
Zicom Cesco Engineering Company Limited	Thailand	—	—	100	100
Zicom Thai Hydraulics Company Limited	Thailand	—	—	100	100
FA Geotech Equipment Sdn. Bhd.	Malaysia	—	—	100	100
Deqing Cesco Machinery Co., Ltd.	China	—	—	100	100
		54,544	54,429		

iPtec Pte. Ltd. which has been dormant has been struck off from the Register of Companies on 4 September 2024.

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

12. Investments in subsidiaries (cont'd)

Income tax consolidated group

An income tax consolidated group has been formed with Zicom Group Limited as the head company and Cesco Australia Limited ("CAL") and Cesco Equipment Pty Ltd ("CEPL") as subsidiary members with effect from 1 July 2023. The effect of this formation avails tax and capital losses carried forward amounting to A\$4,814,000 (S\$4,113,000) and A\$2,728,000 (S\$2,330,000) respectively for utilisation by any subsidiary member of the income tax consolidated group which was not otherwise possible.

Entity subject to class order relief

Pursuant to the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to Cesco Australia Limited ("CAL") and Cesco Equipment Pty Ltd ("CEPL") from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of their financial reports.

As a condition for the relief, a Deed of Cross Guarantee was executed between Zicom Group Limited ("ZGL") and CAL on 15 May 2008. The effect of the Deed is that ZGL has guaranteed to pay any deficiency in the event of winding up of CAL or if CAL does not meet its obligations under the terms of overdraft, loans, leases or other liabilities subject to the guarantee.

CAL has also given a similar guarantee in the event that ZGL is wound up or if it does not meet its obligations under the terms of overdraft, loans and leases or other liabilities subject to the guarantee.

On 9 May 2013, CEPL executed a Deed of Assumption with ZGL so that CEPL is joined to the Deed of Cross Guarantee and assumes liability under and be bound by the Deed of Cross Guarantee as if CEPL was a Group Entity when the Deed of Cross Guarantee was executed.

The consolidated Income Statement and Balance Sheet of the entities that are members of the Closed Group are as follows:

Consolidated Income Statement	Closed Group	
	2025 S\$'000	2024 S\$'000
Profit from continuing activities before taxation	117	793
Income tax credit/(expense)	347	(324)
Net profit for the year	464	469
Accumulated losses at the beginning of year	(20,839)	(21,310)
Expired/forfeited employee share options	89	2
Accumulated losses at the end of year	(20,286)	(20,839)

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

12. Investments in subsidiaries (cont'd)

Consolidated Balance Sheet

	Closed Group	
	2025	2024
	S\$'000	S\$'000
Non-current assets		
Property, plant and equipment	698	841
Right-of-use assets	1,103	1,855
Intangible assets	297	321
Investments in subsidiaries	44,175	44,175
	46,273	47,192
Current assets		
Cash and cash equivalents	1,395	1,267
Fixed deposits	62	68
Inventories	5,402	5,491
Trade and other receivables	4,011	4,331
Prepayments	104	93
Tax recoverable	596	—
	11,570	11,250
Current liabilities		
Trade and other payables	5,275	4,582
Contract liabilities	132	270
Lease liabilities	576	656
Provisions	599	641
Income tax payable	—	303
	6,582	6,452
NET CURRENT ASSETS	4,988	4,798
Non-current liabilities		
Lease liabilities	647	1,358
Provisions	135	129
	782	1,487
NET ASSETS	50,479	50,503
Equity attributable to equity holders of the Parent		
Share capital	72,058	72,058
Reserves	(1,293)	(716)
Accumulated losses	(20,286)	(20,839)
TOTAL EQUITY	50,479	50,503

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Notes to the Consolidated Financial Statements

(In Singapore dollars)

13. Equity financial assets

Consolidated	As at 30.6.2025 S\$'000	As at 30.6.2024 S\$'000	Classification	Valuation Technique	Unobservable inputs
Equity financial assets, unlisted	6,354	—	FVPL	Market approach	Growth rate, market multiples

Reconciliation of fair value:

	Consolidated	
	2025 S\$'000	2024 S\$'000
At inception	6,354	—
Remeasurement recognised in profit or loss	—	—
As at 30 June	6,354	—

Equity financial asset relates to 2.52% equity interest held in Zhejiang Darcet Technology Co., Ltd. (“Darcet Technology”) received as part of the consideration for the sale of the Group’s equity interest previously held in Orion Systems Integration Pte Ltd. Darcet Technology, a company registered in the People’s Republic of China, is engaged in research and development and supply of high-end semiconductor sealing, bonding, cutting and testing equipment as well as the research and application of factory intelligence.

An external valuation specialist was engaged to assess the fair value of the Group’s equity financial asset as at 30 June 2025 using market approach via guideline publicly traded companies method. Considering the nature and complexity of the significant inputs, the Group has classified the fair value of the equity financial asset within Level 3 of the fair value hierarchy.

A decrease in market multiple by 10% or more or if growth rate were to decrease by 50% or more, it will result in a loss on remeasurement.

14. Investment in associate

Movement in the carrying amount of the Group’s investment in associate:

	Consolidated	
Emage Vision Pte. Ltd. (“EV”)	2025 S\$'000	2024 S\$'000
Shareholdings held: 16.29% (30 June 24: 16.29%)		
Principal place of business: Singapore		
At beginning of year	1,933	2,318
Share of results after income tax	(28)	(385)
At end of year	1,905	1,933

Although the Group holds less than 20% of equity interest in EV, the Group has the ability to exercise significant influence through its shareholdings and participation on EV Board of Directors.

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(In Singapore dollars)

15. Inventories

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Raw materials/trading stocks (at cost or net realisable value)	8,600	9,244
Work-in-progress (at cost)	6,299	7,554
Finished goods (at cost or net realisable value)	7,265	8,019
Stocks-in-transit (at cost)	770	957
Total inventories at lower of cost and net realisable value	22,934	25,774

Inventories recognised as cost of sales for the year ended totalled S\$80,166,000 (2024: S\$78,184,000) for the Group.

16. Current assets - receivables

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Trade receivables	29,036	15,889
Allowance for impairment and expected credit losses	(607)	(793)
	28,429	15,096
Advance payments to suppliers	1,524	1,640
Deposits	273	269
Related party receivables:		
- trade	5	1,061
- non-trade	2	25
Proceeds receivable from disposal of subsidiary	—	9,077
Other receivables	74	169
Total financial assets at amortised cost	30,307	27,337

Trade and other receivables are non-interest bearing and are generally due when invoiced or on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. As at 30 June 2025, trade receivables amounting to S\$15,050,000 (2024: S\$4,332,000) were arranged to be settled via letters of credit issued by reputable banks in countries where the customers were based.

For non-trade receivables from related parties, please refer to note 26 for terms and conditions.

Receivables that are past due but not impaired

Trade and other receivables that are past due but not individually impaired are with creditworthy debtors with good payment records. Cash and short-term deposits are placed with reputable banks.

As at 30 June 2025, the ageing analysis of trade receivables is as follows:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Less than 30 days	3,516	3,067
30 to 60 days	1,514	462
61 to 90 days	2,132	431
91 to 120 days	2,588	248
More than 120 days	1,940	867
	11,690	5,075

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16. Current assets – receivables (cont'd)Receivables that are impaired

The Group's trade receivables that are credit-impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Trade receivables - nominal amounts	572	757
Less: allowance for impairment	(572)	(757)
	<u>—</u>	<u>—</u>
Movement in allowance account:		
As at 1 July	757	803
Charge for the year	9	99
Written off	(196)	(128)
Unused amounts reversed	(12)	(9)
Currency realignment	14	(8)
As at 30 June	<u>572</u>	<u>757</u>

Trade receivables are individually determined to be impaired at the end of the reporting period based on past experience in the collection of debts from customers. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade debtor is credit impaired. These receivables are not secured by any collateral or credit enhancements.

Expected credit losses

Expected credit losses are made for trade receivables which are not credit-impaired. The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
As at 1 July	36	36
Charge for the year	—	—
Unused amounts reversed	—	—
Currency realignment	(1)	—
As at 30 June	<u>35</u>	<u>36</u>

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17. Contract costs

	Consolidated	
	2025 S\$'000	2024 S\$'000
Fulfilment costs	94	910

Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered.

Capitalised contract costs are amortised on a systematic basis that is consistent with the entity's transfer of the related goods and services to the customers.

For the financial year ended 30 June 2025, S\$1,047,000 (2024: S\$5,780,000) was amortised and no impairment loss had been recognised.

18. Current liabilities - payables

	Consolidated	
	2025 S\$'000	2024 S\$'000
Trade payables and accruals (a)	31,387	28,283
Related party payables (b):		
- trade	—	18
- non-trade	1,610	994
Other payables	297	552
	33,294	29,847

(a) All amounts are non-interest bearing and are normally settled on 30 to 90 days' terms.

(b) For non-trade payables to related parties, please refer to note 26 for terms and conditions.

19. Other interest-bearing liabilities

	Consolidated	
	2025 S\$'000	2024 S\$'000
<i>Current</i>		
Bank overdrafts (a)	507	574
Bills payable (b)	1,137	7,389
Revolving term loans (c)	5,000	8,600
Term loans (d)	825	2,047
Loans from a related party (e)	13,747	13,064
	21,216	31,674
<i>Non-current</i>		
Term loans (d)	267	1,090

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19. Other interest-bearing liabilities (cont'd)

Details of the secured borrowings are as follows:

- (a) Bank overdraft amounting to S\$507,000 (2024: S\$161,000), which bears interest at floating rate of 7.80% (2024: 8.35%) per annum, is secured by a legal mortgage on the subsidiary company's freehold land and buildings located at 700/895 Moo 2, Amata Nakorn Industrial Estate, Chonburi, Thailand and a corporate guarantee from ZHPL.

The remaining bank overdrafts amounting to S\$413,000 outstanding as of 30 June 2024 which bore interest at floating rate of 5.75% to 6.50% per annum were secured by a corporate guarantee from Zicom Holdings Private Limited ("ZHPL").

- (b) Bills payable amounting to S\$1,137,000 (2024: S\$1,809,000) with a tenure of 90-120 days (2024: 90-120 days) bear interest at fixed rates until expiry, ranging from 3.33% to 6.24% (2024: 2.01% to 7.52%) per annum, at which point interest rate resets.

The remaining bills payable outstanding as of 30 June 2024 amounting to S\$5,580,000 had a tenure of 365 days and bore interest at fixed rates until expiry at 7.49% per annum.

All bills payables are secured by corporate guarantee provided by ZHPL.

- (c) Short-term loans with tenure of 1 month (2024: 1 month) amounting to S\$5,000,000 (2024: \$5,000,000) which is secured by a first legal mortgage on ZHPL's building at No. 29 Tuas Avenue 3 Singapore 639420 bears interest at fixed rate at 3.40% (2024: 5.28%) per annum until expiry, at which point interest rate resets.

A revolving credit line of S\$5,000,000 (2024: S\$5,000,000) for a term of 10 years was offered to ZHPL where drawdown can be made in tranches for a tenure of 1, 2 or 3 months and thereafter, rollover as required. This facility which is secured by a first legal mortgage on ZHPL's building at No. 9 Tuas Avenue 9 Singapore 639198 and corporate guarantees from the Company and Zicom Private Limited shall be reduced by an annual payment of S\$500,000 commencing on 28 August 2018. During the current financial year, this loan has been fully repaid and the legal mortgage of ZHPL's building has been discharged. As at 30 June 2024, S\$2,000,000 was outstanding with a tenure of 1 month and bore interest at fixed rate of 5.35% per annum.

The remaining short-term loans of S\$1,600,000 outstanding as of 30 June 2024 had a tenure of 3–6 months, bore interest at fixed rates of 5.91% per annum and secured by corporate guarantees given by ZHPL and Zicom Equipment Private Limited were fully repaid during the current financial year.

- (d) Temporary bridging loans with a tenure of 5 years totalled S\$8,000,000 (2024: S\$8,000,000) were offered to Zicom Private Limited, Sys-Mac Automation Engineering Pte. Ltd. and Zicom Equipment Private Limited. Introduced by the Singapore government to help businesses cope during the pandemic, interest is charged at fixed rates of 2.25% or 3.63% per annum and repayment of loan only commences after 12 months after drawdown. As at 30 June 2025, S\$1,092,000 (2024: S\$3,137,000) comprising of current and long-term portions of S\$825,000 (2024: S\$2,047,000) and S\$267,000 (2024: S\$1,090,000) respectively is outstanding and secured by a corporate guarantee by ZHPL.
- (e) Loans from a related party amounting to S\$13,747,000 (2024: S\$13,064,000) which bear interest at fixed rate of 5% (2024: 5%) per annum have a maturity of 3 months which may be extended if required at the discretion of borrowers.
- (f) Financing facilities available
As at 30 June 2025, the Group had available S\$19,183,000 (2024: S\$37,909,000) of undrawn committed borrowing facilities and all significant bank covenants were complied with.

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20. Provisions

	Consolidated	
	2025	2024
	S\$'000	S\$'000
<i>Current</i>		
Assurance-type warranties	2,313	1,953
Employee benefits	394	433
Liquidated damages	38	—
Onerous contract	—	—
	<u>2,745</u>	<u>2,386</u>
<i>Non-current</i>		
Employee benefits	200	173
Reinstatement costs	158	161
	<u>358</u>	<u>334</u>
Movement in provision for assurance-type warranties:		
As at 1 July	1,953	631
Charge for the year	1,108	1,771
Disposal of subsidiary	—	(10)
Unused amounts reversed	(411)	(381)
Utilised	(210)	(69)
Currency realignment	(127)	11
	<u>2,313</u>	<u>1,953</u>
As at 30 June	<u>2,313</u>	<u>1,953</u>
Warranty expense charged directly to profit or loss (note 6)	<u>84</u>	<u>5</u>
Movement in provision for employee benefits:		
As at 1 July	606	556
Charge for the year	55	119
Unused amounts reversed	(6)	(21)
Utilised	(27)	(47)
Currency realignment	(34)	(1)
	<u>594</u>	<u>606</u>
As at 30 June	<u>594</u>	<u>606</u>
Movement in provision for reinstatement costs:		
As at 1 July	161	161
Currency realignment	(3)	—
	<u>158</u>	<u>161</u>
As at 30 June	<u>158</u>	<u>161</u>
Movement in provision for liquidated damages:		
As at 1 July	—	—
Charge for the year	38	—
	<u>38</u>	<u>—</u>
As at 30 June	<u>38</u>	<u>—</u>
Movement in provision for onerous contracts:		
As at 1 July	—	49
Unused amounts reversed	—	(22)
Utilised	—	(27)
	<u>—</u>	<u>—</u>
As at 30 June	<u>—</u>	<u>—</u>

Zicom Group Limited

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(In Singapore dollars)

20. Provisions (cont'd)

Provision for assurance-type warranty claims is made for LNG propulsion systems, deck machineries, compressor stations and gas processing plants. Assumptions used to calculate these provisions were based on a certain percentage of sales and past experience of the level of repairs and returns based on the two-year warranty period.

In accordance with the lease agreements, the Group must reinstate certain subsidiaries' leased premises in Singapore and Australia to its original condition at the end of the lease term. Because of the long-term nature of liability, the greatest uncertainty in estimating the provision for reinstatement is the costs that will ultimately be incurred.

As soon as a contract is assessed to be onerous, a provision for onerous contracts is recorded for the loss it expects to make on the contract.

Subsequent to the year-end, provision made for liquidated damages was settled and no further claim is expected.

21. Share capital

	Parent Entity		Consolidated	
	2025	2024	2025	2024
	No. of shares (Thousands)		S\$'000	S\$'000
Ordinary fully paid shares	214,560	214,560	20,836	20,836

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.

There were no movements in ordinary share capital during the current financial year.

22. Cash and cash equivalents

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Cash at bank and in hand	15,466	12,030
Demand deposits	13	14
	15,479	12,044

For the purpose of cash flows statement, cash and cash equivalents comprise the following as at 30 June:

Cash and demand deposits	15,479	12,044
Bank overdrafts	(507)	(574)
	14,972	11,470

Cash at bank balances amounting to S\$4,175,000 as at 30 June 2025 (2024: S\$3,536,000) earned interest at floating rate based on daily bank deposit rates ranging from 0.01% to 1.91% (2024: 0.01% to 2.22%) per annum.

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23. Fixed Deposits

Fixed deposits are placed with the bank as part of banking facilities requirements. Fixed deposits amounting to S\$3,942,000 (2024: S\$3,955,000) earned interest rate at floating rate at 3.66% to 3.90% (2024: 4.68% to 4.94%) per annum until expiry, at which point interest rate resets. Fixed deposits amounting to S\$1,553,000 (2024: S\$3,268,000) earned interest at fixed rates of 1.00% (2024: 1.00% to 3.00%) per annum. The remaining fixed deposit does not earn interest.

24. Financial instruments

(a) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Group enters into derivative transactions, principally foreign currency forward contracts, purpose is to manage currency risk arising from the Group's operations and sources of finance. The Group does not apply hedge accounting for such derivatives.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from loans and borrowings which have floating interest rates. The Group's policy with respect to controlling this risk is linked to a regular review of the total debt position and assessment of the impact of material changes in interest rates applicable to new and existing debt facilities. Consideration is given to potential renewal of existing positions, alternative financing, alternative hedging positions and mix of fixed and variable interest rates.

At the balance sheet date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
<i>Financial assets</i>		
Cash and cash equivalents	4,175	3,536
Fixed deposits	3,942	3,955
	<u>8,117</u>	<u>7,491</u>
<i>Financial liabilities</i>		
Bank overdrafts	<u>507</u>	<u>574</u>

Sensitivity analysis of interest rate risk

As at 30 June 2025, if interest rates had increased/decreased by 100 (2024: 100) basis points with all other variables held constant, post-tax profits for the consolidated entity for the current financial year would be S\$62,000 (2024: S\$56,000) higher/lower as a result of the higher/lower interest rates. Accordingly, the Group's equity as at year-end will be S\$62,000 (2024: S\$56,000) higher/lower.

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(In Singapore dollars)

24. Financial instruments (cont'd)

(c) Foreign currency risk

Foreign currency risk occurs as a result of the Group's transactions that are not denominated in their respective functional currencies. These transactions arise from the Group's ordinary course of business. The Group transacts business in various currencies and as a result, is largely exposed to movements in exchange rates of United States dollar, Euro, Bangladeshi Taka and Australian dollar.

The Group manages its foreign exchange exposure by a policy of matching, as far as possible, receipts and payments in each individual currency. The Group also uses foreign currency forward contracts to hedge a portion of its future foreign exchange exposure purely as a hedging tool and does not take positions in currencies with a view to make speculative gains from currency movements.

There was no outstanding foreign currency forward contract as at 30 June 2025 and 30 June 2024.

The following sensitivity analysis is based on the foreign exchange risk exposure in existence at the balance sheet date. As at 30 June, if exchange rates had moved, as illustrated in the table below, with all other variables held constant, post-tax results and equity would have been affected as follows:

<i>Consolidated</i>	2025 S\$'000	2024 S\$'000
USD		
- strengthened 3% (2024: 2%)	95	33
- weakened 1% (2024: 5%)	(38)	(83)
EURO		
- strengthened 2% (2024: 2%)	(10)	(9)
- weakened 1% (2024: 2%)	5	9
AUD		
- strengthened 1% (2024: 2%)	2	8
- weakened 1% (2024: 2%)	(2)	(8)
BDT		
- strengthened 2% (2024: 2%)	32	10
- weakened 2% (2024: 2%)	(32)	(10)

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24. Financial instruments (cont'd)

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. Credit risk is monitored through careful selection of customers and their balances are monitored on an ongoing basis. Shipments to major customers are generally covered by letters of credit from reputable banks. These have resulted in the Group having insignificant exposure to bad debts.

The Group determines that its financial assets are credit impaired when contractual payments are significantly delayed from historical payment patterns or when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The Group provides for expected credit losses for all trade receivables using a provision matrix based on the Group's historical credit loss experience adjusted for factors that are specific to the debtors and general economic conditions at the reporting date.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the country profile of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the balance sheet date is as follows:

	Consolidated			
	2025		2024	
	S\$'000	% of total	S\$'000	% of total
Australia	3,150	11.1	3,395	22.5
Bangladesh	16,204	57.0	4,869	32.3
Indonesia	61	0.2	65	0.4
Malaysia	1,116	3.9	477	3.1
People's Republic of China	203	0.7	27	0.2
Philippines	67	0.2	10	0.1
New Zealand	202	0.7	161	1.1
Singapore	6,051	21.3	5,055	33.5
Switzerland	312	1.1	304	2.0
Thailand	562	2.0	493	3.2
United States of America	344	1.2	148	1.0
Others	157	0.6	92	0.6
	<u>28,429</u>	<u>100.0</u>	<u>15,096</u>	<u>100.0</u>

At the balance sheet date, approximately 65% (2024: 40%) of the Group's trade receivables were due from 4 (2024: 3) major customers.

Contract assets

	Consolidated			
	2025		2024	
	S\$'000	% of total	S\$'000	% of total
Bangladesh	9,553	90.3	14,890	98.9
Singapore	1,026	9.7	171	1.1
	<u>10,579</u>	<u>100.0</u>	<u>15,061</u>	<u>100.0</u>

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(In Singapore dollars)

24. Financial instruments (cont'd)

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The following table summarises the maturity profile of the Group's financial liabilities at the balance sheet date based on contractual undiscounted payments. The expected timing of actual cash flows from these financial instruments may differ.

	1 year or less S\$'000	After 1 year but not more than 5 years S\$'000	5 to 10 years S\$'000	Total S\$'000
Consolidated				
2025				
<i>Financial liabilities:</i>				
Trade payables	7,292	—	—	7,292
Other payables	22,437	—	—	22,437
Lease liabilities	1,797	2,931	2,609	7,337
Other interest-bearing liabilities	22,017	269	—	22,286
Total undiscounted financial liabilities	53,543	3,200	2,609	59,352
2024				
<i>Financial liabilities:</i>				
Trade payables	8,699	—	—	8,699
Other payables	19,212	—	—	19,212
Lease liabilities	2,054	4,385	2,869	9,308
Other interest-bearing liabilities	32,711	1,117	—	33,828
Total undiscounted financial liabilities	62,676	5,502	2,869	71,047

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24. Financial instruments (cont'd)

(f) Fair values

(i) Fair value of financial instruments that are carried at fair value

As at 30 June 2025, the Group has the following financial asset measured at fair value:

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Consolidated Financial assets:				
Equity financial asset, unlisted	—	—	6,354	6,354

An external valuation specialist was engaged to assess the fair value of the unlisted equity financial asset using market approach via guideline publicly traded companies method.

There were no transfers between levels in the fair value hierarchy during the financial year.

As at 30 June 2024, the Group had no financial instruments measured at fair value.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of cash and cash equivalents, fixed deposits, current trade and other receivables, current trade and other payables, current interest-bearing liabilities reasonably approximate their fair values because they are mostly short-term in nature and repriced frequently.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair values of non-current bank loans bearing interest at fixed rates, which are not carried at fair value in the balance sheet, are presented in the following table. The fair value is estimated using discounted cash flow analysis using discount rate that reflects the issuer's borrowing rate at the end of the reporting period. Considering the unobservable inputs, the Group has classified the fair value within Level 3 of the fair value hierarchy.

	Consolidated			
	Carrying Amount		Fair Value	
	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000
Financial liabilities:				
Term loans	267	1,090	249	1,008

25. Capital Management

The Group's primary objective when managing capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Directors regularly reviews the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments. The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets or increase borrowings. No changes were made in the objectives, policies and processes during the years ended 30 June 2025 and 30 June 2024.

Management monitors capital through the gearing ratio (net debt / total capital). The Group defines net debt as interest-bearing liabilities less cash and cash balances. Capital includes equity attributable to the equity holders of the Parent and reserves. The Group's policy is to keep its gearing ratio at less than 50%.

The Company also aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of such financial covenants during the year.

The gearing ratios as at 30 June 2025 and 30 June 2024 were as follows:

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Lease liabilities (note 10)	6,202	7,874
Other interest-bearing liabilities (note 19)	21,483	32,764
	<u>27,685</u>	<u>40,638</u>
Less: cash and cash equivalents (note 22)	(15,479)	(12,044)
Less: fixed deposits (note 23)	(5,536)	(7,319)
Net debt	<u>6,670</u>	<u>21,275</u>
	<u>64,208</u>	<u>56,358</u>
Equity attributable to holders of the Parent		
Gearing ratio	<u>10.39%</u>	<u>37.75%</u>

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(In Singapore dollars)

26. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following table provides the total amount of transactions that have been entered with related parties at mutually agreed terms for the relevant financial year.

(a) Sale and purchase of goods and services

	Consolidated	
	2025	2024
	S\$'000	S\$'000
Minority shareholder of a subsidiary company		
- Sales	—	103
Other related parties		
- Sale of goods and services	1,328	1,013
- Purchase of goods and services	(243)	(148)
- Rental & utilities income	20	24
- Interest expense	(684)	(523)

(b) Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at arm's length basis at normal market prices and on normal commercial terms.

All non-trade amounts due from/(to) related parties are unsecured, interest-free and have no fixed terms of repayment.

Other related parties refers to SNS Holdings Pte. Ltd., a substantial shareholder of the Company, as well as ZIG Ventures Limited ("ZIGV") and its subsidiaries and associates. ZIGV and the Company have common shareholders.

For information regarding outstanding balances on related party receivables and payables at year-end, please refer to notes 16 and 18.

(c) Compensation of key management personnel

	Consolidated	
	2025	2024
	S\$	S\$
Short-term employee benefits	1,387,883	1,166,413
Post-employment benefits	39,288	48,396
Share-based payments	75,000	—
Total compensation	1,502,171	1,214,809

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27. Share-based payment plans

(a) Recognised share-based payment expenses

No expense was recognised for employee services received during the year for equity-settled share-based payment transactions (2024: S\$nil).

There have been no cancellations or modifications to the plan during the years 2025 and 2024.

(b) Description of the share-based payment plan

Zicom Employee Share and Option Plan ("ZESOP")

Share options are granted to employees as an incentive to retain experience and attract talent. Under the ZESOP, the exercise price of the options approximates the market price of the shares on the grant dates. Employees must remain in service for a period of 1 to 3 years.

Should an employee leave the company or resign from his office, any vested options not exercised prior to that date will be lost except for exceptional circumstances such as death, physical or mental incapacity.

The contractual life of each option granted is 3 to 5 years. There are no cash-settlement alternatives.

(c) Movement during the year

	2025	2024
	No. of options (Thousands)	
Outstanding at beginning of year	5,320	5,465
Forfeited during the year	(170)	(145)
Expired during the year	(5,150)	—
Outstanding at end of year	<u>—</u>	<u>5,320</u>
Exercisable at end of year	<u>—</u>	<u>5,320</u>

The outstanding balance of share options as at 30 June 2025 and 30 June 2024 is represented by:

No. of options (Thousands)		Exercise price (Australian Cents)	Exercisable on or after	Expiry Date
2025	2024			
—	700	8.1	13/11/2019	12/11/2024
—	221	8.1	13/11/2020	12/11/2024
—	215	8.1	13/11/2021	12/11/2024
—	214	8.1	13/11/2022	12/11/2024
—	1,350	8.1	16/10/2020	15/10/2024
—	1,310	8.1	16/10/2021	15/10/2024
—	1,310	8.1	16/10/2022	15/10/2024
<u>—</u>	<u>5,320</u>			

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(In Singapore dollars)

28. Commitments

(a) Commitments

As at year-end, financial institutions have issued letters of guarantee for the Group amounting to S\$16,670,000 (2024: S\$29,684,000).

(b) Capital commitment

The Group has no capital commitment as at 30 June 2025 and 30 June 2024.

29. Auditors' remuneration

During the year, the following fees were paid/payable for services provided by auditors:

	Consolidated	
	2025	2024
	S\$	S\$
<i>Amounts received or due and receivable by PKF Brisbane Audit for:</i>		
- Audit and review of financial statements	106,625	102,214
<i>Amounts received or due and receivable by PKF-CAP LLP for:</i>		
- Audit and review of financial statements	176,000	182,000
<i>Amounts received or due and receivable by other audit firms for:</i>		
- Audit and review of financial statements	21,797	19,894
- Taxation services	54,045	35,278
	<u>358,467</u>	<u>339,386</u>

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

30. Parent Entity disclosures

(a) The individual financial statements of the Parent Entity shows the following aggregate amounts:

	2025 S\$'000	2024 S\$'000
Balance sheet		
Non-current assets	54,544	54,429
Current assets	704	322
Total assets	55,248	54,751
Current liabilities	1,046	321
Net assets	54,202	54,430
Equity		
Share capital (i)	71,586	71,586
Share capital - exercise of share options	472	472
Capital reserve	688	688
Foreign currency translation reserve	(509)	(518)
Share-based payments reserve	–	89
Accumulated losses	(18,035)	(17,887)
	54,202	54,430
Results		
(Loss)/profit for the year	(237)	581
Other comprehensive income/(loss)	9	(3)
Total comprehensive income	(228)	578

- (i) The share capital of the Parent Entity differs from that of the consolidated entity due to the reverse takeover which took place in 2006. Accordingly, the Parent Entity which is the legal parent is accounted for as the acquiree for accounting purposes.

(b) Guarantees

- (i) The Parent Entity has issued letters of guarantee amounting to S\$nil (2024: S\$2,000,000) to secure trade facilities and bank loans for controlled entities.
- (ii) The Parent Entity has entered into a Deed of Cross Guarantee and the subsidiaries subject to the deed is disclosed in note 12.

(c) Contingent liabilities

The Parent Entity has no contingent liabilities as at 30 June 2025 and 30 June 2024.

Zicom Group Limited

Notes to the Consolidated Financial Statements

(In Singapore dollars)

31. Subsequent events

No matter or circumstances has occurred subsequent to the year-end that has materially affected, or may materially affect, the operations of the Group, the results of those operations or the state of affairs of the Group subsequent to 30 June 2025.

Zicom Group Limited

Consolidated Entity Disclosure Statement

As at 30 June 2025

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A) (vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and judicial precedent in the determination of foreign tax residency.

Entity name (all entities are body corporate)	Australian or Foreign Resident	Country of Incorporation and Tax Residency ¹	Percentage owned ² (%)
Zicom Group Limited	Australian	Australia	
Controlled entities (wholly owned)			
Cesco Australia Limited	Australian	Australia	100
Cesco Equipment Pty Ltd	Australian	Australia	100
Zicom Holdings Private Limited	Foreign	Singapore	100
Cesco CM Holdings Pte. Ltd.	Foreign	Singapore	100
Zicom Private Limited	Foreign	Singapore	100
Zicom Equipment Private Limited	Foreign	Singapore	100
Foundation Associates Engineering Private Limited	Foreign	Singapore	100
FAE Construction Pte. Ltd.	Foreign	Singapore	100
Sys-Mac Automation Engineering Pte. Ltd.	Foreign	Singapore	100
Deqing Cesco Machinery Co., Ltd.	Foreign	People's Republic of China	100
FA Geotech Equipment Sdn. Bhd.	Foreign	Malaysia	100
Sysmac Integration Technologies Sdn. Bhd.	Foreign	Malaysia	100
FAEQUIP Corporation	Foreign	Republic of the Philippines	100
PT. Sys-Mac Indonesia	Foreign	Indonesia	100
FAE Thai Company Limited	Foreign	Thailand	100
Zicom Cesco Engineering Company Limited	Foreign	Thailand	100
Zicom Thai Hydraulics Company Limited	Foreign	Thailand	100
Controlled entities (not wholly-owned)			
MTA-Sysmac Automation Pte. Ltd.	Foreign	Singapore	61
Link Vue Systems Pte. Ltd.	Foreign	Singapore	72
Zicom Energy Solutions Private Limited	Foreign	Singapore	59

1. All entities have the same tax residency as their country of incorporation.
2. For those subsidiaries not wholly-owned, their economic interest and direct voting interest are the same as these are held through wholly-owned subsidiaries.
3. None of the above entities was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Zicom Group Limited

Directors' Declaration

In accordance with a resolution of the directors of Zicom Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity for the financial year ended 30 June 2025 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and *Corporations Regulations 2001*.
- (b) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (c) the consolidated entity disclosure statement prepared in accordance with Subsection 295(3A) of the *Corporations Act 2001* and included in the financial report is true and correct.
- (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (e) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 12 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.
- (f) this declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2025.

On behalf of the Board



GL Sim
Executive Chairman
30 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZICOM GROUP LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Zicom Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the financial report of Zicom Group Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Carrying amount of intangible assets - goodwill

Why significant

As at 30 June 2025 the carrying value of goodwill is S\$4,606,000 (2024: S\$4,739,000), as disclosed in Note 11.

The consolidated entity's accounting policy in respect of goodwill is outlined in Note 2.5.

The carrying amount of intangible assets - goodwill is a key audit matter due to:

- the material carrying value of intangible assets; and
- the level of judgement applied in evaluating management's assessment of impairment.

As outlined in Notes 2.5 and 11, management assessed the carrying amount of goodwill through impairment testing utilising a value in use model in which significant judgements are applied in determining key assumptions. These assumptions include the assessment of future earnings before interest and tax, growth expected to be achieved, as well as the weighted average cost of capital. The judgements made in determining the underlying assumptions in the model have a significant impact on the carrying amount of goodwill, and accordingly the amount of any impairment charge, to be recorded in the current financial year.

How our audit addressed the key audit matter

Our audit procedures included, amongst others:

- evaluating management's methodology for determining the carrying amount of intangible assets by comparing the value in use model with generally accepted valuation methodology and accounting standard requirements;
- conducting sensitivity analysis on key assumptions such as the weighted average cost of capital (WACC) and growth rates, within reasonable foreseeable ranges, in which we found that the value in use remained in excess of the carrying value of net assets of each cash-generating unit ('CGU');
- challenging the key assumptions used in management's value in use model by:
 - assessing growth rates set by management in comparison to historical results
 - evaluating the WACC rate set by management in comparison to market and industry information available; and
- assessing the appropriateness of the related disclosures in Note 11.

2. Revenue recognition

Why significant

Revenue from contracts with customers represents a significant portion of the group's revenue. Goods and services are provided to customers through contractual relationships entered into.

There exists significant judgement in the process of recognising revenue from contracts with customers, with estimates including:

- determining the transaction price relevant to the customer contract;
- determining the appropriate measurement method (input or output);
- assessing the total contract costs; and
- measurement of the Group's progress towards the satisfaction of the performance obligations under the customer contract.

The Group's accounting policies and disclosures for revenue are disclosed in Note 2.5 Summary of material accounting policies, Note 3 Significant accounting judgements, estimates and assumptions and Note 5 Revenue from contracts with customers.

How our audit addressed the key audit matter

A sample of key contracts were selected and enquires made with the Group for each of these contracts to understand the specific terms and risks. This allowed us to assess the recognition of revenue for the year.

Our procedures included an assessment of the operating effectiveness of relevant internal controls in place that relate to revenue recognised in the year.

The audit procedures we performed on a sample of contracts also included the following:

- obtained an understanding of the status of the contracts through enquiries with key management personnel.
- assessed the contract status through the inspection of external evidence, such as approved variations and customer correspondence.
- analysed the Group's estimates for total contract costs and forecast costs to complete, including historical estimation accuracy.
- re-performed the percentage of completion attributed to the specific contract after assessing the underlying inputs to the calculation; and
- assessed the Group's accounting policies and adequacy of related disclosures in the Notes to the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

[A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.]

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Zicom Group Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

BRISBANE
30 September 2025

Zicom Group Limited

Information on Shareholdings

As at 29 September 2025

Distribution of Equity Securities

a) Analysis of numbers of equity security holders by size of holding:

			Number of Holders	Number of Ordinary Shares Held	Percentage of Shares held
1	–	1,000	38	6,666	-
1,001	–	5,000	144	518,627	0.24%
5,001	–	10,000	185	1,690,490	0.79%
10,001	–	100,000	254	8,865,800	4.13%
100,001		and over	93	203,478,425	94.84%
			714	214,560,008	100.00%

b) There were 96 holders of less than a marketable parcel of ordinary shares.

Twenty Largest Equity Security Holders

The names of the twenty largest equity security holders are listed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares
SNS HOLDINGS PTE LTD	94,028,360	43.82%
CITICORP NOMINEES PTY LIMITED	17,039,074	7.94%
GIOK LAK SIM	14,479,303	6.75%
FINCLEAR SERVICES PTY LTD	9,429,573	4.39%
MR MAKRAM HANNA & MRS RITA HANNA	9,306,248	4.34%
JUAT LIM SIM	6,487,767	3.02%
EE GEK GOH	2,791,017	1.30%
KAILVA PTY LTD	2,500,000	1.17%
MS SHIMIN SHERLYN NG	2,423,165	1.13%
JUAT KHIANG SIM	2,069,525	0.96%
BNP PARIBAS NOMINEES PTY LTD	2,009,159	0.94%
FIRST CHARNOCK SUPERANNUATION PTY LTD	1,890,000	0.88%
ZHANG HONG JUN	1,625,939	0.76%
VOLMS PTY LTD	1,621,075	0.76%
MR GORDON JAMES MCMILLAN	1,566,888	0.73%
MR AIDAN HANNA	1,563,000	0.73%
MR JOHN STEPHEN CALVERT	1,557,196	0.73%
KOK HWEE SIM	1,488,180	0.69%
KOK YEW SIM	1,350,253	0.63%
MR LACHLAN DONALD ASHELFORD	1,300,000	0.61%
MR WILLIAM JAMES OLIVER	1,300,000	0.61%

Substantial Shareholders

Substantial shareholders in the Company (holding not less than 5% of the issued capital), as disclosed in substantial shareholder notices given to the Company, are set out below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares
GIOK LAK SIM & HIS ASSOCIATES	108,507,663	50.57%

Voting Rights

On a show of hands, every member present in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

Zicom Group Limited

Corporate Directory

BOARD OF DIRECTORS

Giok Lak Sim (Executive Chairman)
Kok Yew Sim (Executive Director & Group CEO)
Lim Bee Chun, Jenny (Executive Director)
Yian Poh Lim
Renny Yeo Ah Kiang
Stewart James Douglas
Dean Tai Chi-Shang
Kok Hwee Sim (Alternate Director to G L Sim)

JOINT COMPANY SECRETARIES

Lim Bee Chun, Jenny
Gary Webster

REGISTERED OFFICE

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Facsimile : +61 7 3390 6898
Website : www.zicomgroup.com

SHARE REGISTRY

MUFG Corporate Market (AU) Limited
Level 21
10 Eagle Street
Brisbane, QLD 4000
Australia
Facsimile : +61 2 9287 0303

AUDITORS

PKF Brisbane Audit
Level 2
66 Eagle Street
Brisbane, QLD 4000
Australia

SOLICITORS

Thomson Geer
Level 28, Waterfront Place
1 Eagle Street
Brisbane, QLD 4000
Australia

BANKERS

Australia
Westpac Banking Corporation

Singapore

United Overseas Bank Limited
Maybank Singapore Limited
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd

Thailand

United Overseas Bank (Thai) PCL.
The Siam Commercial Bank Public Company Limited

China

Industrial and Commercial Bank of China Limited
China Construction Bank Corporation

Bangladesh

Dhaka Bank PLC.

Philippines

BDO Unibank, Inc.