



Global Invacom's 1H FY2013 Net Profit Soars Nine-Fold to US\$3.4 Million; Post-RTO Revenue Up 78.9% on Stronger Contribution from New Subsidiaries

As at 30 June 2013 US\$'millions	1H FY2013	1H FY2012	Changes US\$	Changes (%)
Revenue	55.3	30.9	24.4	78.9
Gross Profit	12.6	6.4	6.2	96.9
Gross Profit Margin (%)	22.8	20.7	--	2.1
Net Profit After Tax	3.4	0.4	3.0	804.0
Earnings per Share (US Cents)	2.28 [*]	0.31 ^{**}	1.97	635.5
Net Asset Value per Share (US Cents)	24.96 [#]	23.77 ^{##}	1.19	5.0

^{*} calculated based on 148,558,325 weighted average number of ordinary shares for the period ended 30 June 2013

^{**} calculated based on 122,515,189 weighted average number of ordinary shares for the period ended 30 June 2012

[#] calculated based on 237,802,299 total number of issued shares as at 30 June 2013

^{##} calculated based on 229,997,035 total number of issued shares as at 31 December 2012

DMG & Partners Securities Pte Ltd ("DMG") was the financial adviser to Global Invacom Group Limited in relation to the acquisition of Global Invacom Holdings Limited. DMG assumes no responsibility for the contents of this press release.

Singapore, 13 August 2013 - Global Invacom Group Limited ("Global Invacom" or "the Group") announced today that its net profit for the six months ended 30 June 2013 ("1H FY2013") soared 804.0% to US\$3.4 million compared to US\$0.4 million a year ago on stronger contributions after revenue consolidation which followed its recent reverse takeover ("RTO").

The SGX Mainboard-listed satellite communications ("Sat Comms") equipment specialist said the net profit rise was propelled by a 78.9% increase in revenue to US\$55.3 million compared to US\$30.9 million over the comparative periods.

The Group had completed its RTO in July 2012, following which it made its first acquisition, The Waveguide Solution Limited ("TWS"). It recognised the full six months' results of TWS, which began revenue contribution only in August 2012.

The Group's 1H FY2013 revenue includes recognition from its two China contract manufacturing operations, amounting to US\$11.4 million, as well as from TWS and the newly established Malaysian assembly operations (the latter two accounted for US\$15.2 million of first half revenue).

All geographical regions performed better in 1H FY2013, with the U.S.A. improving by US\$2.0 million, Europe by US\$6.1 million and Rest of the World (“RoW”) by US\$16.3 million. RoW revenue in 1H FY2013 includes the substantial contract secured in 2H FY2012 with a major Asian customer, the bulk of which was fulfilled in 1H FY2013 and accounted for a significant portion of RoW’s revenue. The Group has subcontracted some product assembly in Selangor, Malaysia, to meet the Asian order which is expected to complete in 2H FY2013.

1H FY2013 gross profit grew 96.9% increase to US\$12.6 million, from US\$6.4 million in 1H FY2012, improving over the prior year in absolute terms. Gross profit margin improved mainly due to the increase in revenue as well as lower cost of sales as a percentage of revenue. The 1H FY2012 gross margin included stock adjustments related to previously announced quality issues. The 1H FY2013 gross margin was affected as well by the same quality issues which led to air freight charges being incurred until the end of 1Q FY2013 to meet customer demands. However, 2Q FY2013 margin returned to normal with the absence of quality issues related costs bringing an improvement in 1H FY2013 gross margin.

In tandem with the increased business activities following the RTO, expenses grew 64.5% or US\$3.6 million to US\$9.3 million. Despite the higher bottom-line, 1H FY2013 income tax decreased to US\$70,000 from US\$390,000 in 1H FY2012 due to the receipt of a tax refund relating to FY2011 in the United Kingdom.

Commenting on the results, Mr Tony Taylor, Executive Chairman of Global Invacom, said, “The post-RTO initiatives to improve synergies and combine organic growth with acquisitions have clearly borne fruit. Having resolved quality issues encountered in FY2012, we are clearly on track to position ourselves as a leading global Sat Comms equipment player.”

The Group’s financial position remains healthy with a cash position of US\$25.0 million, US\$4.2 million higher than US\$20.8 million as at 31 December 2012. The increase was mainly attributed to higher cash generated from operations, amounting to US\$6.1 million.

Earnings per share (on a fully diluted basis) increased to 2.28 US cents in 1H FY2013 from 0.31 US cent in 1H FY2012. Its net asset value per share as at 30 June 2013 rose to 24.96 US cents from 23.77 US cents as at 31 December 2012.

Having substantially completed its first Asian order, the Group is well placed to receive a repeat order from the customer in 2H FY2013. After the follow-on order, the Group intends to convert its Malaysian operations from sub-assembly to manufacturing. This will improve efficiency and offer an alternative to its manufacturing activities in China.

Commenting on the outlook, Mr Taylor said, “The increasing demands for better digital content and faster internet connectivity worldwide, along strong growth in emerging markets spanning the Asia Pacific, Latin America as well as the Middle East augur well for Global Invacom.”

“As one of only seven sizeable Sat Comms equipment manufacturers worldwide, we have a substantial Asian manufacturing footprint that is well-positioned to act on any opportunities that may come our way,” he added.

“The Group is also exploring opportunities, including mergers and acquisitions which may be arise as the Sat Comms equipment sector consolidates and as several large electronics-related conglomerates exit the sector. We hope to take advantage of this shift to position ourselves globally and enhance shareholders’ value,” Mr Taylor added.

Barring any unforeseen circumstances, the Board of Directors expects the financial performance for FY2013 to be better than that of FY2012.

****End of Press Release****

About Global Invacom Group Limited

Global Invacom Group Limited (“Global Invacom”) is the result of a reverse takeover (“RTO”) of UK-based satellite equipment company - Global Invacom Holdings Limited, by SGX-ST listed Radiance Group Limited. Shareholders approved the RTO in an extraordinary general meeting held on 15 June 2012.

As a result of the merger, Global Invacom is now a fully integrated satellite equipment provider listed on the SGX Mainboard, with manufacturing plants in Shanghai and Shenzhen providing electronics manufacturing services in satellite communications, TV peripherals, computer peripherals, medical, and consumer electronics industries. It is also one of seven companies in the world involved in R&D, design and supply of satellite components and products to large-scale satellite broadcasters to offer a full range of LNB receivers, transmitters, switches and video distribution components. Its customers include satellite broadcasters such as BSkyB of the UK and DISH Network of the US.

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