THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000, as amended ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document constitutes an AIM admission document relating to Global Invacom Group Limited and has been drawn up in accordance with the AIM Rules for Companies in connection with, amongst other matters, the Placing and the admission of the Existing Ordinary Shares and the Placing Shares to trading on AIM. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Rules and has not been approved by, or filed with, the FCA or any other authority which would be a competent authority for the purposes of the Prospectus Directive.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application has been made for the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 2 July 2014. The Ordinary Shares are currently, and will continue to be at Admission, listed on the SGX-ST market of the Singapore Stock Exchange. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been, or is intended to be, made for the Ordinary Shares to be admitted to trading on any other such exchange. The Singapore Stock Exchange is not recognised by the Financial Conduct Authority as a recognised investment exchange under FSMA 2000. It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List.

The Directors, whose names appear on page 6 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Prospective investors should read the whole text of this document and should be aware that an investment in the Global Invacom Group Limited is speculative and involves a higher than normal degree of risk. In particular, the attention of prospective investors is drawn to Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

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global invacom
completing the picture

GLOBAL INVACOM GROUP LIMITED

(Incorporated and registered in Singapore with registration number 200202428H)

Placing of 59,600,000 Ordinary Shares at 19.75 pence per share
and
Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser and Joint Broker	*Joint Broker*
finnCap	MIRABAUD 1819

The Placing is conditional, amongst other things, on Admission taking place on or before 2 July 2014 (or such later date as the Company, finnCap Ltd and Mirabaud Securities LLP may agree, but in any event not later than 31 July 2014). The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission.

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Ordinary Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into Singapore, the United States, Australia, Canada or Japan. The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under any applicable securities laws of Singapore, Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within Singapore, the United States, Australia, Canada or Japan or to, or for the account or benefit of, any US persons (as such term is defined in Regulation S under the Securities Act) or any national, resident or citizen of Singapore, Australia, Canada or Japan.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint broker to the Company in connection with the Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. finnCap Ltd is acting exclusively for the Company and the Selling Shareholder and for no one else in connection with the Placing and Admission. finnCap Ltd will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of finnCap Ltd or for providing advice in relation to the Placing, Admission or any transaction or arrangement referred to in this document.

Mirabaud Securities LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker to the Company in connection with the Placing and Admission. Mirabaud Securities LLP is acting exclusively for the Company and the Selling Shareholder and for no one else in connection with the Placing and Admission. Mirabaud Securities LLP will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of Mirabaud Securities LLP or for providing advice in relation to the Placing, Admission or any transaction or arrangement referred to in this document.

The distribution of this document and the Placing in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors or finnCap Ltd to permit a public offer of Ordinary Shares or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors and finnCap Ltd to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, finnCap Ltd or Mirabaud Securities LLP. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Group since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. Neither finnCap Ltd nor Mirabaud Securities LLP have authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by finnCap Ltd as to the contents of this document and no responsibility or liability whatsoever is accepted by finnCap Ltd or Mirabaud Securities LLP for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible.

The contents of this document are not to be construed as legal, business or tax advice. Prospective investors should consult their own professional advisers for legal, financial or tax advice in relation to an investment or proposed investment in Ordinary Shares.

Copies of this document will be available free of charge to the public during normal business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until the date which is one month after the date of Admission at the offices of K&L Gates LLP, One New Change, London EC4M 9AF and from the Company's website (www.globalinvacom.com).

Forward-looking statements

This document contains statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates", "believes", "could", "envisages", "estimates", "expects", "intends", "may", "plans", "projects", "should", "will" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Company or the Directors concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of the Company and the industry in which the Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Company or developments in the industry in which the Group operates may differ materially from the future results, performance or achievements or industry developments expressed or implied by the forward-looking statements contained in this document.

Prospective investors are strongly recommended to read the risk factors set out in Part II of this document for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Group operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as at the date of this document. The Company undertakes no obligation to update or revise publicly the forward-looking statements contained in this document to reflect any change in expectations or to reflect events or circumstances occurring or arising after the date of this document, except as required in order to comply with its legal and regulatory obligations (including under the AIM Rules).

This document has not been registered as a prospectus with the Monetary Authority of Singapore and the Shares are offered in Singapore pursuant to exemptions invoked under Section 274 and/or Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

CONTENTS

ADMISSION STATISTICS

Placing Price	19.75 pence
Number of Existing Ordinary Shares	237,802,299
Number of Placing Shares	44,600,000
Number of Sale Shares	15,000,000
Number of Ordinary Shares in issue following the Placing	282,402,299
Percentage of the Enlarged Share Capital represented by the Placing Shares	15.8 per cent
Gross proceeds of the Placing receivable by the Company	£8.8 million
Estimated net proceeds of the Placing receivable by the Company	£7.8 million
Market capitalisation of the Company at the Placing Price	£55.8 million
ISIN	SG2E91982768
SEDOL	BN8SY27
Tradeable Instrument Display Mnemonic (TIDM)	GINV
SGX trading symbol	RAD

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document	27 June 2014
Admission and commencement of dealings	8.00 a.m. on 2 July 2014
CDP accounts credited (where applicable)	2 July 2014
CREST accounts credited (where applicable) with Depositary Interests	2 July 2014
Despatch of definitive share certificates (where applicable)	by 16 July 2014

Each of the times and dates set out above and mentioned elsewhere in this document may be subject to change of the absolute discretion of the Company and finnCap without further notice.

References to time in this document are to London time unless otherwise stated.

EXCHANGE RATES

For the purposes of reference only, the following exchange rates were prevailing on 23 June 2014

£1 per	2.13 SGD
£1 per	1.70 US$
US$1 per	1.25 SGD

DIRECTORS, SECRETARY AND ADVISERS

Directors	Anthony Brian Taylor (*Executive Chairman*) Matthew Jonathan Garner *(Executive Director)* Malcolm John Burrell *(Executive Director)* Cosimo Borrelli *(Independent Director)* Basil Chan *(Independent Director)* John Lim Yew Kong *(Lead Independent Director)* all of: 8 Temasek Boulevard #20-03 Suntec Tower Three Singapore 038988
Company Secretary	Yvonne Choo
Registered Office	Global Invacom Group Limited 8 Temasek Boulevard #20-03 Suntec Tower Three Singapore 038988
Website on Admission	www.globalinvacom.com
Nominated Adviser and Joint Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ
Joint Broker	Mirabaud Securities LLP 33 Grosvenor Place London SW1X 7HY
Solicitors to the Company as to English law	K&L Gates LLP One New Change London EC4M 9AF
Solicitors to the Company as to Singapore law	Stamford Law Corporation 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315
Solicitors to the Company as to Chinese law	K&L Gates LLP Suite 1009-1011 Tower C1 Oriental Plaza No.1 East Chang An Avenue Dongcheng District Beijing 100738 China
Solicitors to the Company as to Cayman Islands law	Walkers (Singapore) Limited Liability Partnership 3 Church Street #16-02 Samsung Hub Singapore 049483
Solicitors to the Company as to Malaysian law	Jeff Leong, Poon & Wong Advocates & Solicitors B-11-8, Level 11 Megan Avenue II Jalan Yap Kwan Seng 50450 Kuala Lumpur Malaysia
Solicitors to the Nominated Adviser and Broker	Field Fisher Waterhouse LLP Riverbank House 2 Swan Lane London EC4R 3TY

Reporting Accountants and Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Share Registrar and Share Transfer Agent	B.A.C.S. Private Limited 63 Cantonment Road Singapore 089758
UK Depositary	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ
Financial PR	Bell Pottinger Holborn Gate 330 High Holborn London WC1V 7QD

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Admission"	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies" or **"AIM Rules"**	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the rules setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
"Articles of Association" or **"Articles"**	the articles of association of the Company which have been adopted conditional upon Admission, a summary of certain provisions of which is set out in paragraph 5 of Part IV of this document
"BSkyB"	British Sky Broadcasting Group plc
"Board"	the board of directors of the Company
"CDP"	The Central Depository (Pte) Limited, the authorised operator of the Singapore Clearing and Settlement System
"certificated" or "**in certificated form"**	in relation to an Ordinary Share, recorded on the Company's register as being held in certificated form by way of a physical share certificate
"City Code"	The City Code on Takeovers and Mergers of the United Kingdom
"Companies Act"	The Companies Act (Chapter 50) of Singapore, as amended from time to time
"Company" or **"Global Invacom"**	Global Invacom Group Limited, a company incorporated in Singapore with registration number 200202428H
"Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council, as in force from time to time
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
"CREST Regulations" or **"Regulations"**	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
"Custodian"	Computershare Investor Services PLC or a subsidiary or third party appointed by the UK Depository
"Depository Interest" or **"DI"**	dematerialised depository interest representing Ordinary Shares
"Directors"	the directors of the Company whose names are set out on page 6 of this document or the directors of the Company from time to time as the context may require
"DirecTV"	DirecTV, LLC
"Disclosure and Transparency Rules"	the disclosure rules and transparency rules made by the FCA under Part 6 of FSMA
"DISH"	DISH Network Corporation
"EC"	European Community
"EchoStar"	EchoStar Corporation
"Enlarged Share Capital"	the entire issued ordinary share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the Placing Shares

"ESA"	European Space Agency
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Existing Ordinary Shares"	the 237,802,299 Ordinary Shares that are in issue at the date of this document
"FCA"	the UK Financial Conduct Authority
"finnCap"	finnCap Ltd, nominated adviser and joint broker to the Company
"FSMA"	the Financial Services and Markets Act 2000, as amended
"GIL"	Global Invacom Limited
"Group"	the Company and the Subsidiaries
"HMRC"	Her Majesty's Revenue & Customs
"London Stock Exchange"	London Stock Exchange plc
"Mirabaud"	Mirabaud Securities LLP, joint broker to the Company
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of no par value in the capital of the Company
"Placee"	an investor to whom Placing Shares are issued pursuant to the Placing
"Placing"	the conditional placing by finnCap and Mirabaud of the Placing Shares and Sale Shares with institutional and other investors at the Placing Price pursuant to the Placing Agreement and Vendor Placing Agreements
"Placing Agreement"	the conditional agreement dated 27 June 2014 made between the Company, the Directors, finnCap and Mirabaud relating to the Placing of the Placing Shares and which is summarised in paragraph 12.6 of Part IV of this document
"Placing Price"	19.75 pence per Placing Share or Sale Share, as the case may be
"Placing Shares"	the 44,600,000 new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing Agreement
"PRC"	People's Republic of China
"Prospectus Directive"	EU Prospectus Directive 2003/71/EC including any relevant measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC
"Prospectus Rules"	the prospectus rules made by the FCA under Part 6 of FSMA
"Radiance"	Radiance Group Limited
"Raven"	Global Invacom Manufacturing (UK) Limited (formerly Raven Manufacturing Limited)
"RMB"	Renminbi, the lawful currency of PRC
"Sale Shares"	the 15,000,000 Existing Ordinary Shares being sold on behalf of the Selling Shareholders pursuant to the Vendor Placing Agreements
"Selling Shareholders"	Choo Kok Chong, Ngo Kun Long and Teo Shih Wee
"SGD" or **"S$"**	Singapore dollars, the lawful currency of Singapore
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shareholders"	holders of Ordinary Shares
"Share Registrar" or **"Share Transfer Agent"**	B.A.C.S. Private Limited
"Singapore Code"	the Singapore Code on Takeovers and Mergers issued by the Monetary Authority of Singapore pursuant to section 321 of the Singapore Securities and Futures Act (Cap. 289) as amended from time to time
"Subsidiaries"	the companies set out in paragraph 3.1 of Part IV

"TWS"	The Waveguide Solution Limited
"UK Depository"	Computershare Investor Services PLC
"UK Companies Act"	the UK Companies Act 2006, as amended
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the FCA acting in its capacity as the competent authority for the purposes of Part 6 of FSMA
"uncertificated" or **"in uncertificated form"**	in relation to an Ordinary Share, recorded under the CDP's name on the Company's share register
"Vendor Placing Agreements"	the three conditional agreements dated 27 June 2014 made between the Company, finnCap, Mirabaud and each of the Selling Shareholders, relating to the Placing of the Sale Shares and which are summarised in paragraph 12.7 of Part IV of this document
"VAT"	value added tax
"$", "US$", **"USD"** or **"dollars"**	US dollars, the lawful currency of the United States
"£" or **"sterling"**	UK pounds sterling, the lawful currency of the United Kingdom

GLOSSARY OF TECHNICAL TERMS

"Box Build"	assembly work other than PCB production. The electromechanical assembly process involves enclosure fabrication, installation of subassemblies and components, and routing of cabling or wire harnesses
"CM"	contract manufacturing
"DBS"	direct broadcast satellite
"EMS"	electronics manufacturing services
"Fibre"	the Global Invacom System for the distribution of satellite TV signal over fibre
"Ka band"	the microwave band on the electromagnetic spectrum covering the frequencies of between 26.5 and 40.0 GHz
"LNB"	low-noise block downconverter
"MB"	megabyte
"ODM"	original design manufacturer
"ODU"	outdoor unit
"OEM"	original equipment manufacturer
"OMT"	ortho mode transducer
"PCB"	printed circuit board
"PCBA"	printed circuit board assembly
"R&D"	research and development
"RF"	radio frequency
"Sat Comms"	satellite communication
"SMT"	surface-mount technology
"Stacker De-Stacker"	device which allows signals from two LNBs to be transmitted to two separate receivers via a single cable
"Turnkey"	the provision of a complete product or service that is ready for immediate use
"VSAT"	very small aperture terminal

PART I

INFORMATION ON THE GROUP

1. Introduction

Global Invacom is a company incorporated in Singapore and listed on the SGX-ST and which is the holding company of the Group that develops, manufactures and distributes various communications solutions both under its own name and as an original equipment manufacturer for its clients.

The Group's two core businesses are:

(i) the design, development and manufacture of satellite communications solutions including satellite dishes, low noise block, satellite TV, cable peripherals and precision waveguide solutions for a number of multi-national clients; and

(ii) contract manufacturing of electronic solutions including circuit boards for use in, *inter alia*, set-top boxes and point of sales terminals on an original equipment manufacturer basis.

The Group is an established supplier of satellite communications solutions to, amongst others, BSkyB, DISH and EchoStar and is experiencing increasing demand for its products from both its existing and new customers. In addition to broadcasters, the Group's end customers also include building developers, electrical contractors, installers and mobile systems integrators.

The Group mainly carries out its R&D and marketing of satellite TV and cable peripherals products in the UK and exports products into the USA, Europe and the rest of the world.

The manufacturing activities are undertaken at its production facilities located in Shanghai and Shenzhen, PRC, Accrington and Newton Abbott in the UK and Selangor, Malaysia. The Shanghai plant is focused on the manufacturing of satellite communication products, while the Shenzhen plant is focused on the provision of EMS for third party OEMs or ODMs. The Accrington plant in the UK and the Selangor plant in Malaysia manufacture satellite dishes and the Newton Abbott plant manufactures waveguides.

Further to the acquisitions of Raven and TWS, the Directors have identified further opportunities to expand the Group's footprint in the Sat Comms industry in Europe, Asia and North America.

Global Invacom proposes to raise £8.8 million (before expenses) by the issue of 44,600,000 Placing Shares. The Placing Shares will represent approximately 15.8 per cent. of the Enlarged Share Capital. In addition, the Placing will raise approximately £3.0 million (before expenses) for the Selling Shareholders.

The Directors believe that the Placing will help expand the business and enable them to develop and explore new investment opportunities, including possible mergers and acquisitions.

2. Key Strengths

The Directors consider that the Group has the following key strengths:

Established, Blue-chip Customer Base

BSkyB, DISH /EchoStar and many other blue-chip satellite broadcast companies make use of Global Invacom's ability to provide components in volume. The strength of the Group's relationships and offering in this area creates a high barrier to entry for new and competing participants.

Research and Development Facilities and Staff Give Technical Advantage

The Group has invested on average over the last five years, 3.2% of turnover in its R&D facilities to keep it at the forefront of its niche market. The Group employs in excess of 30 professional design engineers all with high levels of skill and experience. The quality of its technology and the staff behind such development activity mean that Global Invacom is well placed to pursue, research and implement technological advances in the Sat Comms industry.

Manufacturing Capability Provides an Integrated Solution

The Group's integrated ODU comprising of antenna, LNB/transceiver and distribution system provide customers with a single package comprising an entire satellite solution.

Consolidation Opportunity

The market for Sat Comms is varied but overall continues to grow as this technology is viewed as the primary way to improve connectivity and communications access in areas across the world. With a strong balance sheet and continued cash generation, the Group has begun to consolidate a diversified market in which new technologies and sales channels are continuously evolving through the acquisitions of TWS and Raven Manufacturing Limited. The Directors continue to evaluate other opportunities as they arise and have demonstrated their ability to identify and secure earnings enhancing acquisitions through the improved financial performance of their last two acquisitions.

Customer Approved Production Facilities

In many cases the Group's customers insist on extensive qualification programmes prior to initial production. This process can take as long as one year and moving products to other facilities as a result is a costly and time consuming activity.

Management Quality and Experience

The Group's senior leadership team has over 100 combined years of experience within the communications industry. The Group believes that the commitment, experience and qualifications of its management team and employees have been a key factor in contributing to the Group's success and will continue to be the driving force in the growth and development of the Group. Details of the working experience of the Directors and senior management of the Group can be found in section headed ''Board of Directors and Senior Management'' in paragraph 9 of this Part I.

3. The Business

History and Background

The Company was incorporated on 25 March 2002 as a PRC based EMS specialist catering to customers who were OEMs or ODMs of products in the satellite communications and computer peripherals industries.

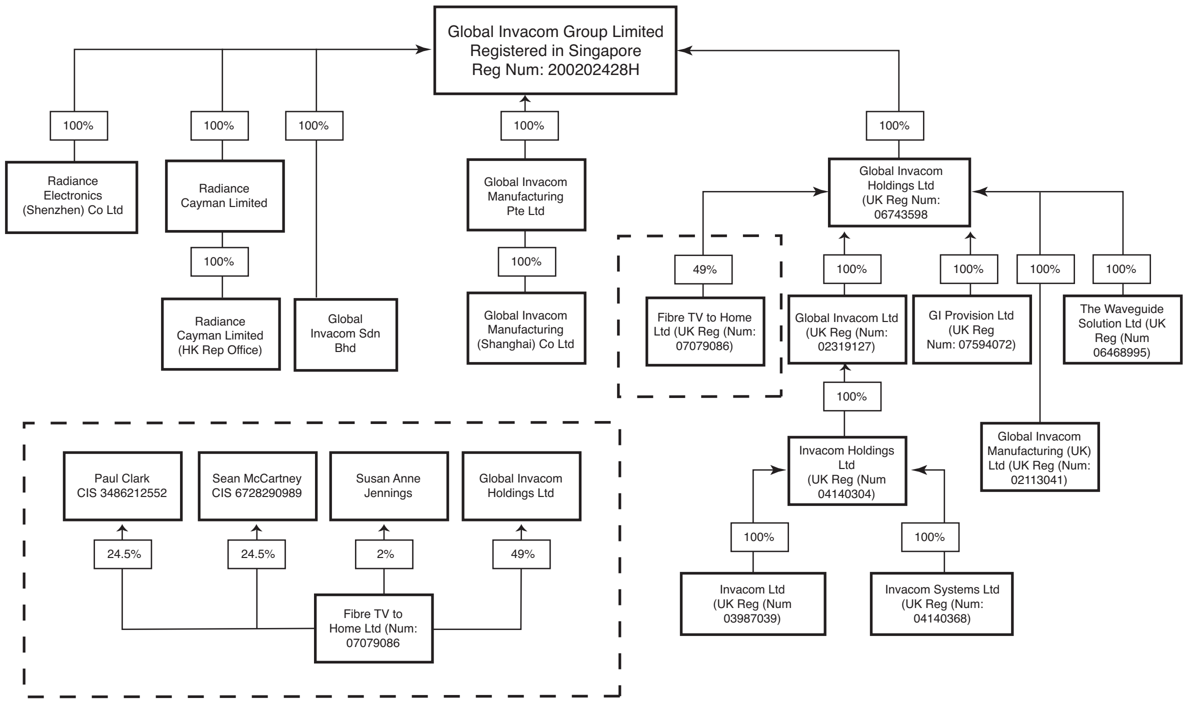
Global Invacom Holdings Limited (''**GIHL**'') was incorporated on 7 November 2008 and became the holding company of Global Invacom Limited (''**GIL**'') and its subsidiaries on 25 February 2009. GIL was the result of the merger of Global Communications (UK) Ltd and Invacom Ltd. This merger consolidated a supplier of RF switches and the Sky TV link with a specialist in LNB and VSAT design and manufacture.

On 5 July 2012, the Company completed the acquisition of GIHL and its subsidiaries and associates.

In August 2012, the Company completed the acquisition of TWS, a company based in the UK which manufactures a variety of waveguide applications for ship, aircraft, satellite, medical, radar and communication systems. This acquisition gave the Company access to new markets and new technology.

In November 2013, the Company completed the acquisition of Raven Manufacturing Limited, whose name was subsequently changed to Global Invacom Manufacturing (UK) Limited, a company based in the UK which manufactures satellite dishes and brackets. This acquisition added additional capabilities to the Company's manufacturing skill set.

The current structure of the Group is as follows:



Satellite Communications

Satellite Communications is a vertically integrated business unit of the Group undertaking R&D, manufacture and marketing of products in the satellite TV and cable peripherals industries. The Group has a strong R&D team based in the UK that has been granted or has filed numerous patents. The Sat Comms products are categorised into:

(i) DBS comprising LNBs, switches and dishes;

(ii) Fibre; and

(iii) VSAT and accessories.

Manufacturing of the majority of Sat Comms products is undertaken at the Shanghai factory, while sales and marketing activities are carried out by the sales teams based in the UK. The manufacturing of satellite dishes is carried out in the UK and Malaysia. DBS products are mainly sold to the following major customers: EchoStar in the USA, BskyB in the UK and a major broadcaster in Malaysia. A range of fibre optic based LNBs and decoder products were launched in mid 2009 with the majority of volumes being sold into Europe.

The Sat Comms unit also designs and manufactures bespoke components including for a major VSAT supplier, Hughes, primarily serving worldwide markets and a range of accessories including the tvLINK® range primarily for the UK market and the Stacker De-Stacker for the European market.

Direct Broadcast Satellite

LNBs and switches are the Group's most significant contributor to DBS revenue. LNBs are the receiving devices fitted on satellite dishes that take the microwave signal from the satellite itself, amplify it and convert the block of frequencies to allow the signal to be carried to the indoor television receiver. They are designed in the UK and manufactured in China. The Group manufactures many types of LNBs with various feeds, single and multi headed, and both circular and linear polarisations. Outputs can be conventional, band stacked or channel stacked.

At the facilities in Accrington and Selangor, the Group is involved in the manufacture and provision of satellite components, including receivers (dishes) and OMTs for use in televisual broadcast and, increasingly, satellite broadband.

The Group's antennas, manufactured primarily for Echostar and BSkyB, use a pre-galvanised corrosion resistant material. The antennas are powder coated with hardwearing epoxy polyester paint for enhanced protection. The Accrington facility also manufactures Ka Band dishes for use increasingly in satellite broadband. The Group's customers also benefit from the convenience of one point of supply for products by having an integrated ODU solution comprising of antenna, LNB/transceiver and distribution system in one package.

The major customers for satellite dishes are located in the countries where the company's main manufacturing facilities for satellite dishes are situated thereby avoiding the high costs associated with the shipping of precision equipment which requires careful packaging. The Group also utilises logistics centres and warehouses in Denver, Washington and Atlanta to provide access to the North American market.

The Group's products are manufactured on an OEM basis. The Group also develops its own standard solutions – particularly in the area of high frequency consumer electronics.

The Group's primary customer in this area, particularly LNBs, is EchoStar, a leading designer and supplier of set-top boxes. EchoStar usually provides a non-binding six month rolling order forecast to the Company and Global Invacom will manufacture the required units over which it retains ownership until delivery to the customer.

Fibre

The Group designs, manufactures and distributes optical products that convert RF analogue signals at the satellite dish via laser technology into fibre optic transmission to the home. The primary benefit of using Fibre for a satellite TV distribution system is that the Fibre can carry the entire received spectrum on one cable, which can then be split to provide for multiple tuners, without requiring a separate feed from the antenna to each tuner. Additional outlets can be added to increase the number of receivers within one home without extra connections back to the central antenna or main infrastructure. In addition, Fibre delivers greater capacity, over longer distances, more cost effectively and to more homes than traditionally achievable by coaxial cable.

All signals are delivered over a passive fibre optic network with no active components, resulting in no need for extra power supplies or earth bonds leading to a lower probability of failure. Furthermore, all signals are delivered in a format compatible with existing reception equipment. The Fibre system can be used in a variety of multi dwelling applications, including apartment blocks, stadiums, shopping malls, hotels, gated communities or office and trading desk environments. It can service tens of users to many thousands.

The Group continues to receive grants from the European Space Agency to explore the application of its Fibre technology to a wider market with other major broadcasters and operators.

VSAT and Accessories

There is increasing demand for the Company's VSAT technology insofar as it applies to satellite broadband. Those in developing countries live in areas that are unable to receive traditional cable broadband and satellite broadband technology has the ability to reach this market segment and provide speeds of up to 20MB.

The Group, through its Stevenage development facility, designs and manufactures various televisual accessories. For example, the Group has developed the Provision Wireless HD sender/receiver system which enables multi-room high definition viewing. The wireless system is ''plug-and-play'' and requires no internal structured cabling in order to operate. Once established, HD content from a source device can be streamed to any other televisual device which is connected to the network, including smartphones and tablets.

Precision Wave Guide

Through the acquisition of TWS in August 2012, the Group has the ability to design and manufacture microwave waveguide components and applications for the military, medical, aerospace and marine industries. TWS is an approved medical, telecoms, military and marine supplier with a prestigious list of customers. While fully integrated into the Group, TWS operates from its self-contained design and manufacturing facilities in Newton Abbot, Devon.

Research and Development

Global Invacom continues to invest in research and development across its product ranges as identified previously to identify new applications and revenue streams. Global Invacom's research department comprises over 30 highly qualified engineers that are continuing to refine the Group's product offering. Recent projects include solutions for The Shard, The London Stock Exchange, Buckingham Palace and Windsor Castle.

Intellectual Property

The Group's technology is built on a proprietary and, where possible, patented basis. Global Invacom protects its intellectual property through a number of key practices and activities:

- on-going product innovation and regular upgrades of functionality for core products;
- filing and maintenance of patents where possible governing novel designs, together with copyright protection; and
- incorporating non-competition and non-disclosure terms in employee contracts.

The Directors believe that Global Invacom's trade secrets, copyrights, patents and other intellectual property are a central source of value to the Group and continue to seek to further develop and protect the Company's intellectual property assets. As at 26 June 2014, the Group had 22 patents and 45 patent applications pending.

Contract Manufacturing

The Group has manufacturing facilities in Shenzhen and Shanghai. From the Shenzhen facility, the Group provides electronics contract manufacturing services on an OEM and ODM basis of products in the Sat Comms and computer peripherals industries. In particular, it is involved in Box Build and PCBA on a Turnkey basis.

The Group operates its contract manufacturing facilities as a turnkey contractor, responsible for sourcing and producing all required product parts and assembling them to pre-agreed specifications. The Group provides EMS for computer peripherals such as keyboards and scanners. More recently, the Group has been involved in the manufacture of set-top boxes and point of sale terminals.

As at 26 June 2014, the Group's Shenzhen plant had a total production area of 6,000m^2 and was equipped with five SMT lines and approximately 330 staff.

4. Market Opportunity

The Group continues to diversify its customer base while retaining its core clients across its product range. There are opportunities in the advanced telecommunications and fibre and satellite televisual sectors. Asia in particular is a key growth market where Group revenues rose 41 per cent. in 2013. The Company is targetting further growth in China, South-East Asia and India.

Advanced Telecommunications

Advanced telecommunications are of increasing importance to the growth of the knowledge economy. Even in established first world markets, there are remote areas still without access to genuine high-speed services – this is compounded in the developing world. Accordingly, the Directors are confident that the Group's technical expertise in the VSAT arena leaves it in a position to take advantage of the need to increase access to these communities through the provision of satellite broadband.

Fibre and Satellite Televisual

The satellite ground equipment market was valued at $54.8 billion in 2012 by the Satellite Industry Association and satellite and cable television penetration rates in Central and Eastern Europe have increased from 43.6 per cent in 2008 to 51 per cent. in 2012 (Source: "Eutelsat Cable and Satellite TV Survey 2010"). The Directors believe that this trend is set to continue as Satellite Communications are essential for distance learning, emergency preparations and planning networks and marine broadband. This view is shared by the Satellite Industry Association which predicts a "positive long term outlook for the global Satellite Communications Industry." Accordingly, the Directors believe that Global Invacom's development and manufacturing capabilities for direct satellite broadcast customers will enable it to continue to grow its customer base in this area. In addition, as populations continue to increase in the developing world and residential and office space is at a premium, the Directors believe that the Group's fibre solutions, which allow for multiple application users on a single satellite, will be in greater demand.

5. The Competitive Landscape

The in-depth knowledge of engineering required to develop solutions and produce quality electronic products for the satellite industry naturally presents a high entry barrier to prospective new entrants looking to break into the satellite peripheral industry.

The Directors of the Company consider the following companies to be the main competitors of the Group:

Company	Location of Headquarters	Competing Products
CalAmp Corporation	USA	LNB
Microelectronics Technology Inc.	Taiwan	LNB and VSAT
Sandmartin/PBI	Taiwan	LNB and VSAT dishes
Sharp Corporation	Japan	LNB
Wistron NeWeb Corporation	Taiwan	LNB
Zinwell Corporation	Taiwan	LNB and switches

No other company has developed and commercially marketed a full range of fibre optic LNBs and Fibre systems. While the Directors believe that the Group's fibre technology cannot be easily replicated, they nonetheless acknowledge that the emergence of competitors is inevitable in the long run.

6. Corporate Strategy

The Group will continue its strategy of investing in background research with its own R&D budget as well as with grants and funding from external sources such as the ESA and other UK and EC development agency grants. The Group is also keen to expand its collaboration with various European leading universities on research programmes to explore new technologies.

Apart from the above background research, the Group will also carry out further technical and marketing research to ensure that its future plans are in line with the needs of its major customers. Active interaction with the main customer base throughout the research process will ensure that the Group continues to develop products that both address customers' present needs and anticipate customers' future needs.

7. Summary Financial Information

Historical Financial Information

In order to make a proper assessment of the results and financial position of the Group, investors should not rely solely on the summary information set out below but should read the whole of this document, including the financial information set out in Part III of this document.

Provided below is a summary of the audited consolidated historical financial information for the Group for the period ended 31 December 2013 which has been extracted without material adjustment from Part III, Section A of this document, prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

	Year ended 31 December 2011 US$'000	Year ended 31 December 2012 US$'000	Year ended 31 December 2013 US$'000
Revenue	62,876	74,697	115,750
Gross Profit	17,841	14,053	29,204
Profit before tax	5,043	(18,665)	9,274
Net assets	12,603	35,979	44,792

8. Current Trading and Prospects for the Group Post-Admission

Trading for the early part of the 2014 financial year has been consistent with management's expectations.

Save for the Placing, there has been no significant change in the financial position of the Group since 31 December 2013 and the Directors continue to complete the integration process of Raven and TWS, the Company's most recent acquisitions. The Directors are confident about the prospects for the Group and the market places in which it operates.

The Company has embarked on an acquisition strategy with TWS and Raven which it is looking to continue. The Sat Comms industry is entering an era of major change, one which offers substantial opportunities for a company such as Global Invacom which has its own research capabilities, proprietary intellectual property and customer and manufacturing footprints which are truly global.

Global Invacom intends to continue to strengthen its value proposition via organic growth, acquisitions and widening market reach as it strives to improve internal efficiencies to enhance shareholder value.

9. Board of Directors and Senior Management

Board of Directors

Anthony Brian Taylor, (aged 51), Executive Chairman

Mr Taylor is the Managing Director of Global Invacom Limited and is also a director of Global Invacom Holdings Limited and other group subsidiaries. Mr Taylor's entire professional career has been spent working within international high technology businesses with diverse commercial propositions which include semiconductors, automotive electronics, military and satellite-related products. He also has over 14 years of experience in senior executive leadership roles. He has formally held positions at Harris Semiconductor from 1984 to 1987, and Marconi Electronic Devices from 1987 to 1990 before joining SGS-THOMSON Microelectronics between 1990 and 1999. Mr Taylor was appointed the Chief Executive Officer of TechnoFusion GmbH where he served from 1999 to 2002, and was the General Manager of Amphenol Limited from 2002 to 2006.

Mr Taylor holds a Bachelor of Science, Electronics degree (with Honours) from Coventry University in the United Kingdom.

Matthew Jonathan Garner, (aged 49), Executive Director

Mr Garner was appointed as the Chief Financial Officer of the Company on 16 December 2013. Mr Garner has extensive financial and commercial management experience of over 25 years. Prior to joining the Company, he was a Finance Director for over eight years of the UK Sales & Manufacturing sites for a US corporation, listed on the New York Stock Exchange, providing inter-connected solutions for the military, aerospace, industrial and mass transit sectors.

Mr Garner holds a Degree in Law with Honours from the University of Liverpool from 1987. He has been certified as an Associate Chartered Management Accountant since 1996.

Malcolm John Burrell, (aged 55), Executive Director

Mr Burrell is a Chartered Engineer with 32 years of RF design, technical management and corporate management experience, gained whilst working in business within the consumer electronics, satellite earth station and military communications sectors. Prior to joining Global Invacom Limited, he was a Senior Development Engineer at Marconi Communication Systems Ltd, from September 1981 to September 1987. From October 1987 to December 1991, he was the Technical Manager at Multipoint Communications Ltd, and thereafter was the Principal Systems Engineer at Marconi Radar Systems Ltd from January 1992 to October 1997.

Mr Burrell holds a Bachelor of Science Engineering (Electronic Engineering) degree from the University of Southampton in the United Kingdom and a Certificate in Management (CIM). He is a member of the Institution of Engineering and Technology.

Cosimo Borrelli, (aged 47), Independent Director

Mr Borrelli is a Chartered Accountant with over 24 years of experience in formal and informal corporate restructuring, forensic accounting and financial investigations. This experience has included being appointed by courts, lenders and financiers, distressed companies, secured and unsecured creditors, investors and other interested parties. He has a track record in establishing and delivering restructuring and corporate advisory arrangements in industries including financial services, property, telecommunications, retail, manufacturing and professional services.

Mr Borrelli holds a Bachelor's degree in Economics from the University of Adelaide, Australia. He is a member of the Institute of Chartered Accountants in Australia, member of the Institute of Certified Public Accountants and Institute of Certified Public Accountants Insolvency Interest Group of Hong Kong and a member of the Insolvency Practitioners Association of Australia.

Basil Chan, (aged 63), Non-Executive Director

Mr Chan is the Founder and Managing Director of MBE Corporate Advisory Pte Ltd. He currently sits on the boards of several listed companies in Singapore. He was a Council Member and Board Director of the Singapore Institute of Directors from 2002 to 2013 and a member of the Corporate Governance Committee in 2001 that developed the Singapore Code. He was previously a member of the Accounting Standards Committee of the Institute of Certified Public Accountants in Singapore (ICPAS) and is currently a member of the Auditing and Assurance Standards Committee of the Institute of Singapore Chartered Accountants (ISCA, formerly known as ICPAS). Mr Chan has more than 32 years of audit, financial and general management experience having held senior financial positions in both private and public companies.

He holds a Bachelor of Science (Economics) Honours degree majoring in Business Administration from the University of Wales Institute of Science and Technology, United Kingdom and is a member of the Institute of Chartered Accountants in England and Wales as well as a member of ISCA. He is a Fellow member of the Singapore Institute of Directors.

John Lim Yew Kong, (aged 52), Lead Independent Director

Mr Lim is currently a director of Point Hope Pte Ltd, a Singapore incorporated company involved in providing investment advisory services to a private equity fund management company. Prior to this, he was a director of AXIA Equity Pte Ltd, a Singapore incorporated corporate advisory company. Between 1991 and 2005, Mr Lim was involved extensively in private equity investments, having worked in two private equity funds covering primarily the ASEAN region. Mr Lim worked in Dowell Schlumberger in the United Kingdom and Arthur Andersen & Co, London between 1984 and 1991. He is also currently an independent non-executive director of Karin Technology Holdings Limited, listed on the Singapore Exchange, and was previously an indepedent non-executive director of North Asia Resources Holdings Limited, listed on the Hong Kong Stock Exchange.

Mr Lim graduated with a Bachelor's Degree in Economics from the London School of Economics and Political Science in the England. He is a chartered accountant from the Institute of Chartered Accountants in England and Wales.

Senior Management

Gary Patrick Stafford, Business Development Director

Between 1979 and 1989, Mr. Stafford worked in Marconi Space and Defence Systems Ltd as an Antenna Design Engineer. He then joined the DBS department of Marconi Space and Defence Systems Ltd as an Antenna Engineer and worked on a range of DBS antennas. He was subsequently appointed the Microwave Design Group Manager in 1997 at Grundig GmbH and was the Project Manager for the design and development of a range of new products for consumer electronics based on Microwave systems. Mr Stafford was a Founding Director of Invacom Limited in 2000.

He graduated from Plymouth College in the United Kingdom following a sponsorship conferred upon him by the British Broadcasting Corporation.

Andrea Jane Fearnley, Finance Director

Ms Fearnley is the Finance Director of GIL and is responsible for the overall financial, accounting, tax, treasury, corporate finance and compliance matters of Global Invacom Holdings Limited and its UK subsidiaries. She is a member of the merger and acquisition team. She has been with the Group since 2008 and is an experienced finance professional with over 20 years in operational and strategic finance roles.

Ms Fearnley is a qualified accountant and member of the Association of Chartered Certified Accountants.

David Gerald Smith, Technical Director

Mr Smith is the Technical Director of GIL and is responsible for the development of low noise block and very small aperture terminal products. He has been with Invacom Limited and GIL for more than a decade. He was a director of the Global Invacom Holdings Limited and other group subsidiaries, Founding Director of Invacom Limited and the original designer of key early LNB products. He was previously a Microwave Design Engineer at Marconi Instruments Ltd as well as a Senior RF Design Engineer at Northern Telecom Europe Ltd. He was also a Senior RF Design Engineer for a year at Symbionics Ltd before joining Marconi Electronics Ltd as Chief Engineer.

Mr Smith graduated with honours from the University of Leeds in 1988 with a Bachelor's degree in Electronic and Electrical Engineering.

David Jonathan Wren Fugeman, Sales & Marketing Director

Mr Fugeman is the Sales & Marketing Director of GIL and is responsible for all Global Invacom's Sat Comms sales to Pay TV providers, broadband by satellite providers and major Original Equipment Manufacturers. He has been with the company for over 23 years, initially joining from English Electric Valve where he was a Technician Engineer, as the test department manager. He was quickly promoted to Sales & Production Manager, overseeing all of the then Global Communications production and sales activity, before joining the newly formed board as Sales and Marketing Director in 1999.

Gordon Blaikie, Group Operations Director

Mr Blaikie is the Group Operations Director of GIL. He joined GIL in July 2012 and is responsible for the operations in Accrington, Malaysia and Shanghai. He has been involved in manufacturing and operations for the last 30 years, including a period as a regional operations manager for online retail world leader Amazon. His previous role was as a UK regional Operations Director with Amphenol, the world's leader in connector manufacturer in both aerospace and military products.

Mr Blaikie holds a Diploma in Production and Inventory Management Control.

Leigh Coombs, Chief Information Officer

Mr Leigh Coombs is the Chief Information Officer of GIL and is responsible for the overall global information technology and business systems of the Group. He has been with GIL since November 2010. Previously, he was a director and owner of an information technology services company that worked closely with and provided services to Invacom Limited for a number of years prior to joining GIL. Mr Coombs has been in the information technology field for more than 17 years.

Wendy Isabel Wong Pei Fern, Group Financial Controller

Ms Wong is the Group Financial Controller of the Company and is responsible for the overall financial, accounting, tax, treasury, corporate finance and compliance matters of the Group. She has been with the Company since 2007. She is a director of Global Invacom Manufacturing Pte Ltd and other group subsidiaries. Ms Wong has been in the finance and accounting field for more than 18 years. She has held various management positions in multinational and listed companies in the information technology, computer and telecommunications industries.

Ms Wong holds a Bachelor's degree in Accountancy from Nanyang Technological University, Singapore. She was admitted as a member of the Institute of Singapore Chartered Accountants (ISCA, formerly known as ICPAS) in 1998 and is a Chartered Accountant since 2001.

10. Reasons for Admission, the Placing and Use of Proceeds

The Directors believe that Admission will assist Global Invacom in its development by:

- raising its profile in the sector, particularly with broadcasters and installers;
- provide further access to the European and North American markets where the Sat Comms industry is well understood;
- providing investment for future expansion and other business plans; and
- increasing access to capital should further financing be required to expand the Company's business for instance through the acquisition of complementary businesses.

The gross proceeds of the Placing receivable by the Company are expected to be approximately £8.8 million by the issue of 44,600,000 Placing Shares.

The proceeds of the Placing are intended to be utilised as follows:

- expand business and development and exploration of new investment opportunities (including possible mergers and acquisitions); and
- general corporate and working capital purposes.

Pending these uses, the Directors intend to hold the net proceeds of the Placing in cash deposits.

11. Details of the Placing

finnCap and Mirabaud have entered into the Placing Agreement with the Company and the Directors. Under the Placing Agreement, finnCap and Mirabaud have conditionally agreed, as agent of the Company, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Shares are being placed with institutional and other investors. The Placing is not being underwritten.

finnCap and Mirabaud have also entered into the Vendor Placing Agreements with the Company and the Selling Shareholders. Under the Vendor Placing Agreements, finnCap and Mirabaud have conditionally agreed, as agent of the Selling Shareholders, to use their reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price. The Sale Shares are being acquired by institutional and other investors.

The Placing is conditional, amongst other things, on Admission taking place on or before 2 July 2014 (or such later date as the Company and finnCap and Mirabaud may agree, but in any event not later than 31 July 2014) and on the Placing Agreement and Vendor Placing Agreements becoming unconditional and not being terminated prior to Admission.

The Placing Shares will be issued credited as fully paid and will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares will represent approximately 15.8 per cent of the Enlarged Share Capital.

After deduction of fees, commissions and expenses payable by the Company, the net proceeds of the Placing receivable by the Company will be approximately £7.7 million. After deduction of fees, commissions and expenses payable by the Selling Shareholders, the net proceeds of the Placing receivable by the Selling Shareholders will be approximately £2.8 million.

Further details of the Placing Agreement and the Vendor Placing Agreements are set out in paragraphs 12.6 and 12.7 respectively of Part IV of this document.

12. Lock-in Arrangements

Anthony Taylor and Malcolm Burrell (being the Directors owning Ordinary Shares at Admission), who will together be beneficially interested in a total of 22,279,404 Ordinary Shares on Admission (representing 7.9 per cent of the Enlarged Share Capital), have undertaken to the Company, finnCap and Mirabaud that, except in limited circumstances, they will not dispose of any Ordinary Shares during the period of 12 months from Admission.

Accordingly, on Admission, a total of 22,279,404 Ordinary Shares will be subject to the lock-in and orderly market arrangements described above representing 7.9 per cent of the Enlarged Share Capital.

Further details of the lock-in undertakings are set out in paragraph 12.8 of Part IV.

13. Dividend Policy

The Company intends to operate a progressive dividend policy, which will take into account the profitability of the business and underlying growth in earnings of the Group, as well as its cash flows and growth requirements. On 27 February 2014, the company announced a proposal final dividend of SGD 0.005 per Ordinary Share, representing 11.4 per cent of the net profit achieved.

The Directors will aim to ensure that dividend cover is prudently maintained. The Board intends to continue to pay dividends, however the ability of the Company to do so is dependent on a number of factors and there is no assurance that the Company will pay dividends in the future, or, if dividends is paid, what the amount of such dividend will be.

14. Corporate Governance

The Directors are committed to maintaining a high standard of corporate governance. The Board generally adheres to the principles and guidelines as set out in the revised Code of Corporate Governance which was issued on 2 May 2012 by the Monetary Authority of Singapore (the "2012 Code").

The Board currently has a total of six members, half of whom are independent directors. The Board comprises members with a broad range of knowledge, expertise and experience such as accounting, finance, business and management.

Management, together with the Board Committees, including the Audit and Risk Committee ("ARC"), Nominating Committee ("NC") and Remuneration Committee ("RC") support the Board in discharging its responsibilities. To facilitate effective management, certain functions have been delegated to various Board committees, each of which has its own written terms of reference ("TOR"). The TORs are reviewed on a regular basis to ensure their continued relevance. The TORs of the respective committees have also been updated to be in line with the 2012 Code and a summary of these committees are provided below.

The Board conducts regular scheduled meetings at least three times yearly and as warranted by particular circumstances. The Company's Articles of Association provides for directors to convene meetings by way of telephone conferencing or any other electronic means of communication. When a physical Board meeting is not possible, timely communication between members of the Board can be achieved through electronic means or via circular of written resolutions for approval by the Board.

Audit and Risk Committee

The Listing Manual (the "Listing Manual") of SGX-ST and the Companies Act, Cap. 50 requires companies listed on the SGX-ST to set up an Audit and Risk Committee that reports to the Board. The role of the Audit and Risk Committee is to assist the Board with discharging its responsibility to:

- safeguard the Company's assets;
- maintain adequate accounting records;
- develop and maintain effective systems of internal controls and risk management;
- ensure integrity of financial statements; and
- provide arrangements whereby concerns on financial improprieties or, other matters raised by 'whistle-blowers' are investigated and appropriate follow up action taken.

The overall objective of the Audit and Risk Committee is to ensure that management of the Company has created and maintained an effective system of internal controls to safeguard the assets and integrity of the operations of the Company, and to ensure compliance with relevant regulations and legislations applicable to the Company.

As a sub-committee of the Board, the Audit and Risk Committee provides a channel of communication between the Board, Management, the internal auditors and the external auditors, on matters arising out of the internal and external audits.

The Audit and Risk Committee comprises John Lim Yew Kong, Basil Chan and Cosimo Borrelli and is chaired by John Lim Yew Kong. The Audit and Risk committee will meet at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

Nomination committee

The 2012 Code recommends that companies listed on the SGX-ST set up a Nominating Committee which reports to the Board. The primary role of the Nominating Committee is to make recommendations to the Board on all Board appointments to ensure a formal and transparent process. The duties of the Nominating Committee duties are, *inter alia*, to:

- review the Board structure, size and composition and make recommendations to the Board;
- develop a process for evaluation of performance of the Board; and
- determine the independence of the Directors.

The Nominating Committee comprises John Lim Yew Kong, Basil Chan, Cosimo Borrelli and Anthony Taylor and is chaired by Cosimo Borrelli. The nominating committee will meet annually and otherwise as required.

Remuneration committee

The 2012 Code recommends that companies listed on the SGX-ST set up a Remuneration Committee which reports to the Board. The primary role of the Remuneration Committee is to ensure appropriate transparency and accountability to shareholders and to make recommendations to the Board on remuneration matters of the Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. The duties of the Remuneration Committee are, *inter alia*, to:

- review and recommend to the Board a general framework of remuneration for the Board and key management personnel; and
- recommend to the Board any long term incentive schemes which may be set up.

The Remuneration Committee comprises John Lim Yew Kong, Basil Chan and Cosimo Borrelli and is chaired by Basil Chan. The remuneration committee will meet annually otherwise as required.

Share Dealing Code

The Company has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with, *inter alia,* the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company will take proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules (including Rule 21).

Settlement and Dealing Arrangements

Application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will be effected and that dealings in the Shares will commence on 2 July 2014.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear is unable to take responsibility for the electronic settlement of shares issued by companies incorporated in certain non-UK jurisdictions, including companies incorporated in Singapore.

Securities in overseas companies cannot generally be held or settled electronically in the CREST system. To enable investors to settle their securities in the Company through the CREST system, the Company has put in place the Depositary Interest facility operated by the UK Depositary.

Under the Deed Poll, the Depositary (or its nominee) will hold Shares in the CDP on trust for investors and it will issue uncertificated Depositary Interests (on a one-for one basis) representing those underlying Shares and provide the necessary custodian services. The relevant investors will retain the beneficial interest in the Shares held through the Depositary Interest facility and voting rights, dividends or any other rights relating to those Shares will be passed on by the Depositary (or its nominee) in accordance with the terms of the Deed Poll. The Depositary Interests can then be traded and settlement can be effected within the CREST system in the same way as any other CREST security.

Investors wishing to withdraw from the Depositary Interest facility and hold their Shares outside of CREST may do so at any time using standard CREST messages to instruct the Depositary to effect a transfer to a nominated position with CDP.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates, or maintain a position within CDP in Singapore will be able to do so. It is expected that, where Placees have asked to hold their Shares in CREST, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Where Placees have requested their shares be held in the CDP under their CDP accounts or their nominee's CDP accounts, such CDP accounts will be credited on the day of Admission. Where Placees have requested to receive their Shares in certificated form, share certificates will be despatched by post within fourteen days of the date of Admission. No temporary documents of title will be issued and certificate shareholders should note that no transfer of shares can be registered without the respective share certificate.

15. Applicable Takeover Code

As the Company is incorporated in Singapore it will not be subject to the City Code and accordingly Shareholders will not be afforded any protections under the City Code. However, Shareholders will have the benefit of the protections afforded by the Singapore Code. The Singapore Code is broadly similar to the City Code. A summary of certain provisions of the Singapore Code is set out in paragraph 6 of Part IV of this document.

16. Shareholder Notification and Disclosure Requirements

Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in the Articles and under Singapore law. A summary of the notification requirements under the Articles is set out in paragraph 5 of Part IV of this document.

17. Taxation Information for Investors

The attention of investors is drawn to the information regarding taxation set out in paragraph 13 of Part IV of this document. This information is intended only as a general guide to the current tax position under UK and Singapore taxation laws for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK or Singapore are strongly advised to consult their professional advisers.**

18. Share Option Arrangements

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the executive management team. The Directors also recognise the importance of employees being well motivated and identifying closely the success of the Group.

The Group operates a share option scheme for the benefit of the Group's employees and the terms of such employee option scheme and options granted are further detailed in paragraph 7 of Part IV of this document.

19. Further Information

The attention of prospective investors is drawn to the financial and other information set out in Parts II to IV inclusive of this document, which provide additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Ordinary Shares set out in Part II of this document.

PART II

RISK FACTORS

An investment in Ordinary Shares may be subject to a number of risks. Accordingly, prospective investors should consider carefully all of the information set out in this document and the risks attaching to such an investment, including in particular the risks described below (which are not set out in any order of priority), before making any investment decision in relation to Ordinary Shares.

The information below does not purport to be an exhaustive list of relevant risks, since the Company's performance might be affected by other factors including, in particular, changes in market and/or economic conditions or in legal, regulatory or tax requirements. Prospective investors should consider carefully whether an investment in Ordinary Shares is suitable for them in the light of information in this document and their individual circumstances. An investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate that investment.

Prospective investors are advised to consult an independent adviser authorised under FSMA. If any of the following risks relating to the Group were to materialise, the Group's business, financial condition and results of future operations could be materially and adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his, her or its investment.

Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company or the Group. In addition to the usual risks associated with an investment in a company, the Directors consider the following risk factors to be significant to potential investors:

Risks Relating to the Group's Business

The Group is dependent on a single major customer, Echostar, for a significant portion of its revenue. If the Group loses this customer, its sales and financial performance will be adversely affected

Approximately 42.1 per cent. of the Group's revenue for the year ended 31 December 2013 was derived from Echostar and accordingly the Group's sustained financial performance is reliant on its relationship with Echostar and Echostar's continuing orders and financial health. The Group does not have a framework agreement with Echostar and instead the trading relationship is governed by individual purchase orders, which incorporate Echostar's terms and conditions. Accordingly, whilst Echostar usually provides the Company with 6 month rolling order forecast this is non-binding and there is no certainty that Echostar will continue to purchase the Group's products.

Equally, the Group is reliant on Echostar's continued financial stability. Echostar operates in the competitive US satellite broadcast industry and is itself largely reliant on its relationship with its DISH Network for whom it owns and maintains a satellite fleet. Although Echostar and DISH Network are under the common control of Charles Ergen, there can be no guarantee that Echostar will continue its relationship with DISH Network.

Any deterioration of Echostar's business or financial condition or of the Group's relationship with Echostar or the loss of orders or a reduction in the gross or net margin in respect of such orders, could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of Ordinary Shares.

The Group is dependent on the contributions of key personnel

The Group's success depends to a significant degree upon the continued contributions of the Executive Directors, senior management team and other key personnel. The Group's future performance will be substantially dependent on its ability to retain and motivate such individuals. The loss of the services of the Executive Directors, senior management team or of other key personnel could prevent the Group from executing its business strategy.

Moreover, the Group's future success depends in part on its ability to hire, train and retain key technical, scientific, regulatory, sales, marketing, finance and executive personnel. The Group competes globally with a number of other organisations for suitable personnel. If the Group fails to retain and hire a sufficient number and type of personnel, it will not be able to maintain and expand its business. The Group may be required to increase spending to retain personnel. The Group instructed remuneration advisors in 2013 and is considering their recommendations.

The Directors cannot give assurances that the Group's senior management team and the Executive Directors will remain with the Group. The loss of the services of the Executive Directors, members of senior management and other key personnel could damage the value of an investment in Ordinary Shares.

The Group's Malaysian operations are reliant on a single major customer. If the Group loses this customer, its Malaysian operations will be adversely affected

Group sales to a single Malaysian broadcaster for the year ended 31 December 2013 equated to approximately 16.1 per cent. of the Group's entire revenue. Indeed, the Groups manufacturing operations in Malaysia were established in December 2012 to produce DBS products solely for this Malaysian broadcaster. Accordingly, the Group, and in particular its Malaysian operations, are reliant on its continued relationship with the Malaysian broadcaster. Although the Group has a contract in place until August 2015 which provides for minimum orders from the Malaysian broadcaster, there can be no guarantee that such contract will be extended after this time. Any failure to extend or renegotiate such contract or any deterioration in the Group's relationship with the Malaysian broadcaster or the loss of orders or a reduction in the gross or net margin in respect of such orders, could have a material adverse effect on the Group's business, financial condition, results of operations, future prospects and/or the price of Ordinary Shares.

The Group may be vulnerable to economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Group operates, in particular, a slowdown in Asia, the USA and Europe, may have an adverse effect on the demand for the Group's products and services. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to realise a profit. The markets in which the Group offers its products and services are directly affected by many national and international factors that are beyond the Group's control.

The Group is dependent on the electronics industry which may experience a slowdown and adversely affect the Group's revenue and profitability

The Group's customers are mainly manufacturers of electronic products for use in satellite communications and computer peripherals. As a result, its performance depends, to a large extent, on the state of the electronics industry.

From time to time, the electronics industry experiences slowdowns due to cyclical fluctuations in product supply and demand and/or a decline in the general economic conditions which can result in price erosion hence reducing the Group's profit margin. The Group's performance may be adversely affected by a downturn in the electronics industry during which the supply of electronic components may exceed demand.

The Group, in many of its market segments, depends on winning selection processes, and failure to be selected could adversely affect its business in those market segments

One of the Group's business strategies is to participate in and win competitive bid selection processes to develop products for use in its customers' equipment and products. These selection processes can be lengthy and require the Group to incur significant design and development expenditures, with no guarantee of winning a contract or generating revenue.

Failure to win new design projects and delays in developing new products with anticipated technological advances or in commencing volume shipments of these products may have an adverse effect on the Group's business. This risk is particularly pronounced in markets where there are only a few potential customers.

If the Group fails to win a sufficient number of these bids could result in reduced revenues and hurt the Group's competitive position in future selection processes because it may not be perceived as being a technology or industry leader, each of which could materially adversely affect the Group's business, financial condition and results of operations.

Any future acquisition poses integration and other risks which may significantly affect the Group's results or operations

The Group has historically made significant acquisitions of businesses with a view to diversifying its product range and revenue split and increasing its capabilities and profitability. There can be no guarantee that those businesses the Group has recently acquired will be properly integrated into the Group or that they will accrete to the Group's financial performance in the manner envisaged.

The Group may acquire other businesses if suitable opportunities arise. There can be no assurance that the Group will identify suitable acquisitions or opportunities, obtain financing necessary to complete and support such acquisitions or acquire businesses on satisfactory terms or that any business acquired will prove to be profitable. In addition, the acquisition and integration of independent companies is a complex, costly and time-consuming process involving a number of possible problems and risks, including possible adverse effects on the Group's financial results, diversion of management's attention, failure to retain personnel, failure to maintain customer service levels, disruption to relationships with customers and other third parties and difficulties associated with the assimilation of the operations, technologies, systems, services, products and personnel of the acquired business.

No assurance can be given that the Group will be able to manage future acquisitions profitably or to integrate such acquisitions successfully without substantial costs or delays. Failure to achieve successful integration of such acquisitions could have a material adverse affect on the operations and financial results of the Group.

The Group is reliant on obtaining appropriate operating licences and regulatory approvals in the jurisdictions in which it operates

The Group's operations are reliant on it securing and retaining appropriate licences and regulatory approvals, particularly in jurisdictions in which it has manufacturing facilities and in which it sells products. There can be no guarantee that the Group will always have in place the necessary licences and/or approvals. If a member of the Group was found not to have the appropriate licences and/or approvals or to have violated the terms of such licence or any local laws and/or regulations, the relevant member of the Group could be subject to liability, required to change its business practices or forced to suspend or terminate operations or products in the relevant territory or potential beyond. Alternatively, a member of the Group could be required to obtain new or different licences or regulatory approvals. Such eventualities could result in costs or other consequences that could materially and adversely affect the financial performance and/or prospects of the Group.

The Group has historically suffered quality control issues which had an adverse impact on the Group's financial performance

During the Group's financial year ended 31 December 2012, the Group experienced manufacturing issues at its production facility in Shanghai resulting in product defects. The faults arose as a result of the mis-calibration of complex equipment which resulted in faulty products being supplied to Echostar. As a result, the products required re-working which incurred disruption to the Group's production schedules, delays for customers and additional freight costs, although no faulty products ever made it to the end user. These issues resulted in the Group's financial performance for the year ended 31 December 2012 being significantly behind management's expectations and the historic performance of the Group.

Given the delicacy required in certain of the Group's manufacturing operations, there can be no guarantee that such quality control issues will not arise again. Such an event would have a material adverse effect on the Group's financial performance and prospects.

The Group's inventory may become obsolete

The Group maintains a large inventory balance and operates in an environment in which technical advances are commonplace. Accordingly, there is a risk that slow moving stock and/or technical change could make certain products and gathered inventory obsolete.

There can be no guarantee of the success of the Group's new products

The Group's business relies to a substantial extent on the development and launch of new products. There can be no guarantee that these new products will be successful in attracting new customers and there is a corresponding risk that the working capital and management time invested by the Group in launching these new products will not be recouped.

The demand for the Group's products depends to a significant degree on the demand for its customers' end products

The vast majority of the Group's revenues are derived from sales to manufacturers in the Sat Comms industry markets. Demand in these markets fluctuates significantly, driven by discretionary consumer spending, consumer preferences, the development of new technologies and prevailing economic conditions.

In addition, the specific products in which the Group's products are incorporated may not be successful, or may experience price erosion or other competitive factors that affect the price manufacturers are willing to pay the Group.

Such customers have in the past, and may, in the future, vary order levels significantly from period to period, request postponements to scheduled delivery dates, modify their orders or reduce lead times. This is particularly common during periods of low demand. This can make managing the Group's business difficult, as it limits the predictability of future sales.

The foregoing risks could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is dependent on the consumer electronics industry

The Group's main products are used in a wide range of consumer electronics products. The Group's performance is somewhat dependent on the overall demand for consumer electronics products and the state of the industry. The consumer electronics industry is generally cyclical in nature and is characterised by intense competition, rapid technological changes and short product life cycles. Any downturn in the consumer electronics industry or lower demand for the end products produced by the Group's customers will have an adverse impact on the Group's business and earnings. The Group may not be able to secure sufficient orders to replace the decrease in sales resulting from a decline in the consumer electronics industry. In such event, the Group's sales and profitability will be materially and adversely affected.

The Group may not be able to obtain the materials and components required for its business at reasonable prices or in sufficient quantities

Due to the practical difficulty in obtaining contractual arrangements with a large number of suppliers to procure all the materials required in each type of order, the Group has no contractual arrangement with these suppliers to ensure availability of the required components.

There is therefore no guarantee that these suppliers will continue to supply their products to the Group. The failure of these suppliers to meet increasing demands may also prevent them from supplying to the Group as and when required.

In the event that these suppliers cease or limit the supply of their products or increase their selling prices and the Group is unable to find alternative sources for such products at competitive prices, the Group's costs will increase and its profit margin will decrease.

Further, the Group's ability to respond competitively to a customer's quotation depends on whether these suppliers are able to provide the Group with quotes in a timely fashion. The supply of components is done on commercial terms, and the Group may not have the same advantages (in terms of price and allocation) as a bigger competitor that is able to offer better payment terms to the suppliers. This may be exacerbated for components that are in short supply. Any unavailability of components, or lengthy lead-times in the delivery of the required components will seriously impair the Group's ability to secure orders. Even if the customer has accepted a lead-time committed by the Group's suppliers, any shipment delay on the part of the suppliers will also result in delays in the delivery of the Group's end products, and will therefore affect its financial performance since there will be a delay in income recognition.

Such delays will also result in delays in receipts from the Group's customers. This will then result in cost overruns since it will have to incur higher interest costs for carrying the inventory longer than expected.

Prices of certain components may also fluctuate rapidly such that the prices at the point of commitment to the Group's customers differ from those at the time of actual billing. The Group may not be able to pass on such price increases to its customers which will negatively impact its margins.

The Group's operations involve significant manufacturing risks

The Group's manufacturing processes are continually being modified and expanded to enhance production yields and increase production capacity. The Group's efforts include manufacturing new products to cater to customer's needs. Although manufacturing efficiency has been an important factor in its competitiveness, there is no assurance that it can continue to maintain this aspect of the Group's competitiveness.

The Group has had manufacturing problems in the past which materially affected its financial performance. While the Group has sought to address these problems, it may in the future experience further manufacturing problems in achieving satisfactory production yields and/or product delivery delays. These problems may arise as a result of, amongst other factors, capacity constraints, construction delays, delay in ramping-up production at new plants and upgrading or expanding existing plants. If the Group's manufacturing operations are unable to remain cost efficient, its future profitability may be adversely affected.

Manufacturing problems could result in delays in product shipments to customers and could adversely affect the Group's revenue, competitive position and reputation

The Group may experience delays, disruptions or quality control problems in its manufacturing operations as its product development, manufacturing and testing processes are complex and require significant technological and production process expertise.

Such processes involve a number of precise steps from design to production. Any change in the Group's processes could cause one or more production errors, requiring a temporary suspension or delay in the Group's production line until the errors can be researched, identified and properly addressed and rectified. This may occur particularly as the Group introduces new products, modify the Group's engineering and production techniques, and/or expand its capacity. In addition, if the Group fails to maintain appropriate quality assurance processes, the result may be increased product failures, loss of customers, increased production costs and delays. Any of these developments could have a material adverse effect on the Group's business, financial condition, and results of operations.

A disruption could also occur in the Group's manufacturing partner's fabrication facility due to any number of reasons, such as equipment failure, contaminated materials or process deviations, which could adversely impact manufacturing yields or delay product shipments.

As a result, the Group could incur additional costs that would adversely affect its gross profit, and product shipments to its customers could be delayed beyond the shipment schedules requested by its customers, which would negatively affect its revenue, competitive position and reputation.

Additionally, manufacturing yields depend on a number of factors, including the stability and manufacturability of the product design, manufacturing improvements gained over cumulative production volumes and the quality and consistency of component parts. Capacity constraints, raw materials shortages, logistics issues, labor shortages, changes in customer requirements, manufacturing facilities or processes, or those of some third-party contract manufacturers and suppliers of raw materials and components have historically caused, and may in the future cause, reduced manufacturing yields, negatively impacting the gross profit on, and the Group's production capacity for, those products. Moreover, an increase in the rejection and rework rate of products during the quality control process before, during or after manufacture would result in the Group experiencing lower yields, gross profit and production capacity.

The risks of these types of manufacturing problems are further increased during the introduction of new product lines, which has from time to time caused, and may in the future cause, temporary suspension of production lines while problems are addressed or corrected. Since the Group's business is substantially dependent on a limited number of product lines, any prolonged or substantial suspension of manufacturing production lines could result in a material adverse effect on the Group's revenue, gross profit, competitive position, and distributor and customer relationships.

The Group's existing customers as well as prospective customers may be competitors with one another

Certain of the Group's existing customers are competitors with one another and as a result, the Group may be restricted in the type of services that it can provide to certain customers. Certain prospective customers may also compete with certain of the Group's existing customers. Consequently, it may have to give up business opportunities from these prospective customers. These restrictions and loss of business opportunities may adversely impact the growth of the Group. In addition, certain of its existing customers may discontinue the use of the Group's services because it is providing services to their competitors.

If the Group is unable to adapt to technological changes and other industry standards may have an adverse impact on its business

The market in which the Group is operating is characterised by rapid technological changes, product obsolescence and constantly evolving industry standards. The Group is required to be adaptive to such changes in industry conditions which affect its customers, as well as to the changing needs of its customers. If the Group is unable to keep up with the technological changes affecting its customers and the changing needs of its customers, it will not be able to serve its customers' needs and this will result in a decrease in demand for its products. This will have a negative impact on the Group's performance. New entrants and failure to compete successfully with new entrants may adversely affect the Group's business and financial performance.

Given the growth potential of the Group's industry, there is no assurance that it will not face competition from new entrants and that the Group can compete successfully against such new entrants. As a result, such competitive pressures faced by the Group may materially and adversely affect the Group's business and financial performance.

The Company does not exercise control over Fibre TV to Home Limited ("FTTHL")

GIHL is a minority shareholder owning 49% in FTTHL. There is no shareholders' agreement between the shareholders of FTTHL and the Company therefore has limited control of FTTHL and its operations. Although the has de facto control over the board of FTTHL and the ability to block special resolutions there can be no guarantee that it will be able to direct or manage FTTHL's business and operations in the Company's preferred manner.

The Group is subject to various Health and Safety laws

The Group is subject to a broad range of laws, regulations and standards in various jurisdictions relating to the health and safety of its employees. The Group's operations require certain individuals to work with plant and machinery and the Group may be subject to claims by individuals for injury or loss sustained during their employment. Any violations by the Group of relevant laws, regulations and standards could result in financial and reputational losses to the Group and/or restrictions in the Group's operations.

The Group may not be able to protect its intellectual property and proprietary technology

The ability to protect its intellectual property for its products, to preserve its trade secrets and to operate without infringing the proprietary rights of third parties is an important aspect of the Group's competitive advantage.

No assurance can be given that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's copyrights or patents will be held valid if challenged or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Group.

As product sales increase the Group may be subject to claims in relation to infringement of trademarks, patents or other proprietary rights. Adverse judgements against the Group may give rise to significant liability in monetary damages, legal fees and an inability to manufacture, market or sell products either at all or in particular territories using existing trademarks and/or particular technologies. Any litigation brought against the Group, whether or not determined in the Group's favour or settled by the Group, could result in lengthy litigation which may be costly and time consuming. Even claims without merit could deter customers and have a detrimental effect on the Group's business. Adverse judgments against the Group may give rise to significant liabilities, a requirement to redesign its products or an inability to market or sell its products in particular territories.

Further there is no assurance that others have not developed or will not develop similar products, duplicate any of the Group's products or infringe any of the Group's copyrights.

The Group to some extent relies upon un-patented trade secrets to protect its proprietary technology. No assurance can be given that others will not independently develop or otherwise acquire substantial equivalent techniques or otherwise gain access to the Group's un-patented proprietary technology or disclose such technology or that the Group can ultimately protect meaningful rights to such un-patented proprietary technology.

The Group's research and development investments may not yield profitable and commercially viable products and thus will not necessarily result in increases in revenues for the Group

The Group invests significant resources in research and development for which its expenses were approximately US$3.24m during FY13. However, its research and development efforts may not yield commercially viable products. The qualification process for new products is conducted in various stages which may take one or more years to complete, and during each stage there is a substantial risk that the Group will have to abandon a potential product which is no longer marketable and in which it has invested significant resources.

In the event the Group is able to qualify new products, a significant amount of time would have elapsed between its investment in new product development and the receipt of any related revenues. There is no assurance that the Group's research and development investments will yield profitable and commercially viable products and increased revenues.

Foreign Exchange Risk

The Group generates revenues in currencies including pounds sterling, euros, US dollars, Chinese yuan and Malaysian ringgit while it prepares its financial statements in US dollars. The Group may therefore be subject to foreign exchange risk which may arise as a result of the Group having operations located in various parts of the world, as revenue and costs generated by international operations will be impacted by foreign exchange rates. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in the Group's financial results and cash flows which are not necessarily related to the Group's underlying operations.

Negative publicity may adversely affect the price of the Shares

Any negative publicity or announcement, whether justifiable or not, may adversely affect the price of the Shares. Such negative publicity or announcement may include involvement in insolvency proceedings, litigation suits and failed attempts in joint ventures or takeovers.

Leases for premises occupied by Group may be prematurely terminated

The Group's manufacturing capability is reliant on its tenancy in the factories that it currently leases. Any early termination or substantial increase in the rent paid by the Group on its manufacturing and other facilities could adversely affect the Group's business, financial and other conditions, profitability and results of operations.

The Group may not have adequate insurance coverage

The Group's operations are subject to hazards and risks normally associated with daily operations for the manufacture of its products. The Group's insurance coverage may not be adequate to cover losses associated with all events and in any case, such insurance may not cover all of the types of costs, expenses and losses the Group could incur if it were to respond to and remediate an event.

The Group does not currently have the required license from the Department of Occupational Safety and Health of Selanagor in Malaysia in respect of its Malaysian manufacturing facility

Pursuant to the Malaysian Factories and Machinery Act 1967 no person may install or cause to be installed any machinery in any factory except with the written approval of an inspector of the Department of Occupational Safety and Health of Selangor ("DOSH").

PHN Industry Sdn Bhd ("PHN"), the lessor of the Malaysian manufacturing facility in which the Global Invacom Sdn Bhd operates, had previously made an application to the DOSH and an inspector from DOSH visited the facility on 14 April 2014. Pursuant to a report written by the relevant officer following such inspection, both the PHN and the occupier of the facility (Global Invacom Sdn Bhd are required to make separate applications to the DOSH for the installation of machinery. It is estimated that it will take 1 to 2 months to obtain the relevant approvals from the DOSH. Global Invacom Sdn Bhd is in the process of making the relevant application to the DOSH for the installation of machinery in the facility. In accordance with the Factories and Machinery Act 1967, the Global Invacom Sdn Bhd may face a fine not exceeding RM100,000 for failing to obtain the written approval for the installation of machinery in the said factory from the DOSH.

Risks Relating to the Industry

The Group is dependent on its ability to utilise the results of its R&D efforts as it must ensure its new products are cost-competitive and meet the technical specifications and requirements of its customers;

The market in which the Group is operating is characterised by rapidly evolving technology and industry standards and many of the companies competing in this sector have longer operating histories, substantially greater financial, technical and marketing resources, greater name recognition, significant customer bases and more established co-operative relationships. As the market grows, new alliances may emerge which could reduce the Group's sales, margins and market shares. Companies operating within this sector could develop superior or more cost-effective techniques which could render the Group's products uncompetitive, or develop products that achieve greater market acceptance than the Group's products. In the future, the Group may experience pricing pressures from competitors and customers which may adversely affect sales levels and/or gross margins.

The future success of the Group and the maintenance of its margins will therefore depend to a large extent upon the Group's ability to maintain its co-operative relationships, to develop and introduce new products and enhancements to existing products to meet and broaden consumer needs and to anticipate developments in the market and changes in industry standards. No assurance can be given that new products or product enhancements will satisfy customer requirements or can be developed in time to catch market opportunities, will achieve a sufficient level of acceptance in new and existing markets, or will successfully anticipate rapid technological changes or new industry standards.

Intense competition in the industry will affect the Group's pricing and its profit margins

The electronics industry is highly competitive and involves rapidly changing technology. Intense competition, coupled with a slowdown in the electronics industry, will exert negative influence on the Group's pricing and erode its profit margins. Should existing or new competitors offer manufacturing services similar to the Group's at a lower cost or engage in aggressive pricing in order to increase or gain market share, its sales may decline if it is not able to match their lower costs. This will have a material adverse effect on the Group's business. Sales will also be affected if the Group's customers start their own operations to manufacture their products.

Risks Relating to the PRC

The Group's business and financial performance are susceptible to changes in the PRC's political, economic and social conditions as some of its products are manufactured in the PRC

The Group has two principal operating subsidiaries in the PRC which provide electronics manufacturing services. As such, the Group's business, financial performance and results of operations are heavily impacted by the political and economic situation in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, many of which may be beyond the Group's control, including the fact that it:

- has a high level of government involvement;
- is in the early stages of its development of a market-oriented economy;
- has experienced rapid growth; and
- has a controlled foreign exchange policy on capital account transactions.

The PRC government plays a significant role in regulating industrial development by imposing industrial policies. It exercises control over the PRC's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Some of these measures benefit the overall economy of the PRC, but may also have a negative effect on the Group's business. For example, the Group's financial condition and results of operations may be adversely affected by the government control over capital investments, available loans from banks in the PRC or changes in tax regulations that are applicable to the Group. As such, the Group's future success is, to some extent, subject to changes in the government policies in the PRC, and any significant negative effect on the Group's business may materially and adversely affect its business prospects, financial condition, and results of operations.

Since 1978, the PRC government has undertaken various reforms of its economic systems. The PRC economy has been transitioning from a planned economy towards a more market-oriented economy. The PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the PRC economy. Many of the reforms are unprecedented or experimental, and are expected to be refined and adjusted from time to time.

This refinement and adjustment process may consequently have a material impact on the Group's operations in the PRC or a material adverse impact on the Group's financial performance. Although the Group believes these reforms will have a positive effect on the PRC's overall long term development, the Group cannot predict whether changes in economic, political and social conditions will materially and adversely affect its current or future business, financial condition, results of operations or prospects. Moreover, even if new policies may benefit the Group in the long-term, there can be no assurance that it will be able to successfully adjust to such policies.

The PRC economy has experienced significant growth over the past few decades. However, the PRC economy has shown signs of potential slowdown or downturn in recent periods. In addition, the PRC government may from time to time implement measures to control the rate of economic growth in the PRC. As a result, there is no assurance that that the PRC economy will continue to grow at its historical rate, or at all, in the future. If there is a further slowdown in the economic growth of the PRC, or if the PRC economy experiences a recession, demand for its products may also decrease and the Group's business, financial condition, results of operations and operations may be materially and adversely affected.

The Group's operations in the PRC are subject to the laws and regulations of the PRC

As some of the Group's manufacturing operations are carried out in the PRC, it is subject to and has to operate within the framework of the PRC legal system. Any changes in the laws or policies of the PRC or the implementation thereof, for example, in areas such as foreign investment, foreign exchange controls, tariffs, trade barriers, taxes, export licence requirements, fire protection, production safety and environmental protection, may have a material impact on the Group's operations and financial performance. The corporate affairs of the Group's subsidiaries in the PRC are governed by their articles of association and the corporate and foreign investment laws and regulations of the PRC. The principles of the PRC laws relating to matters such as the fiduciary duties of directors and other corporate governance matters and foreign investment laws in the PRC are relatively new. Hence, the enforcement of investors or shareholders' rights under the articles of association of a PRC company and the interpretation of the relevant laws relating to corporate governance matters remain largely untested in the PRC.

Uncertainty in the PRC legal system may make it difficult for the Group to predict the outcome of any disputes that it may be involved in

The PRC legal system is a civil law system based on written laws, regulations, circulars and directives. Unlike common law systems, it is a system in which prior court decisions have limited value as precedents as they are not binding on subsequent cases. These uncertainties relating to the interpretation of the PRC laws and regulations can affect the legal remedies and protections that are available to the Group or to its shareholders.

Since 1978, the PRC government has promulgated laws and regulations governing economic matters in general, such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, the PRC has not developed a fully integrated legal system, and regulations may not sufficiently cover all aspects of economic activities in the PRC. In particular, because these laws and regulations are relatively new, and because of the limited volume of published cases and their non-binding nature, interpretation and enforcement of these newer laws and regulations involve greater uncertainties than in other more developed jurisdictions.

In addition, the PRC's legal system is based in part on government policies and administrative rules and many have retroactive effects. As a result, the Group may not be aware of its violation of these policies and rules until sometime after the violation. The introduction of new PRC laws and regulations and the interpretation of existing ones may also be subject to policy changes reflecting domestic political or social changes. The Group cannot predict the effect of future developments in the PRC's legal system, including the promulgation of new laws, changes to existing laws and the interpretation or enforcement thereof or pre-emption of local regulations by national laws. As the PRC legal system develops, any changes applicable to the Group may have a material adverse effect on its business, financial condition, results of operations and prospects.

Further, it may be difficult to obtain swift enforcement of the laws in the PRC, or to obtain enforcement of a judgment by a court of another jurisdiction in the PRC. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention.

PRC foreign exchange control may limit the Group's ability to utilise its cash effectively and affect its ability to receive dividends and other payments from its PRC subsidiaries

The Group's two principal operating subsidiaries in the PRC are subject to the PRC rules and regulations on currency conversion. In the PRC, the State Administration for Foreign Exchange ("SAFE") regulates the conversion of the RMB into foreign currencies and *vice versa*, and in certain cases, the remittance of currency out of the PRC. Any foreign investment enterprises ("FIEs") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". With such registration certifications (which need to be examined annually), FIEs are allowed to open foreign currency accounts including the "capital account" and other types of foreign currency accounts such as "basic account". In addition, with the People's Bank of China's approval, FIEs are required to open a RMB basic settlement account and other types of RMB account. . Currently, conversion within the scope of foreign exchange current account transactions (e.g. conversion to an remittance of foreign currencies for payment of dividends, etc.) can be effected without requiring the approval of SAFE. However, conversion of currency in the "capital account" (e.g. for capital items such as direct investments, loans, securities, etc.) still requires the approval of SAFE.

The applicable law in respect of conversion of RMB into other currencies is the Regulation on Foreign Exchange Controls of the PRC ("Forex Regulation"), which came into effect on 1 April 1996 and amended as of 14 January 1997 and 5 August 2008. The Forex Regulation regulates the general matters in connection with foreign exchange control on a broad perspective. Under the Forex Regulation:

(a) conversion of RMB into foreign currencies for the use of recurring items, including the distribution of dividends and profits to foreign investors of FIEs is permissible and the approval of SAFE is not required, and FIEs are permitted to remit foreign currencies from their foreign currency bank accounts in the PRC upon presentation to the banks of board resolutions which authorise the distribution of profits or dividends and subject to other requirements being satisfied.

(b) however, conversion of RMB into foreign currencies for capital items, such as repatriation of capital, repayment of loans and for securities investment, is still under control and needs the approval of SAFE, where such approval procedures by the local SAFE branch should not create any legal obstacles for the FIEs. Nevertheless, the time taken to obtain approval will depend on SAFE and the foreign investors of FIEs may not receive the approval on a timely basis, which may affect their timing of receipt of the repatriated funds for the said capital items.

(c) the PRC government may also, at its discretion, restrict access in the future to foreign currencies for current account transactions.

Under the Group's current corporate structure, its source of funds may include dividend payments and repayment of inter-company loans by its subsidiaries in the PRC denominated in RMB. No assurance can be provided that the Group will be able to meet all of its foreign currency obligations or to remit profits out of the PRC. If the Group's PRC subsidiaries are unable to obtain SAFE approval to repay loans to the Group, or if future changes in relevant regulations were to place restrictions on the ability of its subsidiaries in the PRC to remit dividend payments to the Group, its liquidity and ability to satisfy third-party payment and loan repayment obligations, and its ability to distribute dividends in respect of the Shares (if applicable), could be materially and adversely affected.

The Group faces uncertainty relating to the SAT Circular No. 698 (as defined below)

Pursuant to the Circular of the State Administration of Taxation on Strengthening Corporate Income Tax Management on Non-resident Enterprises Equity Transfer Income (the "SAT Circular No. 698"), except for the purchase and sale of equity through a public securities market, where a non-resident enterprise transfers the equity of a PRC resident enterprise by disposing of the equity of an overseas holding company ("Indirect Transfer") and the overseas holding company is located in a tax jurisdiction that has an effective tax rate of less than 12.5% or does not tax foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the PRC resident enterprise this Indirect Transfer. Using a "substance-over-form" approach, the PRC tax authority may disregard the existence of an overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such as an Indirect Transfer may be subject to PRC tax at a rate of up to 10%. SAT Circular No. 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

There is uncertainty as to the application of SAT Circular No. 698. For example, while the term "Indirect Transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction to request information from a wide range of foreign entities having no direct contact with China. Moreover, the relevant authority has not yet promulgated any formal provisions or formally declared or stated as to how to calculate the effective tax rates in foreign tax jurisdictions, and the process and format for reporting an Indirect Transfer to the competent tax authority of the relevant PRC resident enterprise remain unclear. In addition, there are no formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. SAT Circular No. 698 may be determined by the tax authorities to be applicable to the various shareholder transfers in the Group's history after 2008, if such transaction were determined by the tax authorities to lack reasonable commercial purpose. As a result, the Group may become at risk of being taxed under SAT Circular No. 698 and may be required to expend valuable resources to comply with SAT Circular No. 698 or to establish that it should not be taxed under SAT Circular No. 698, which may have a material adverse effect on the Group's business, financial condition, results of operations and growth prospects.

Tax laws and tax arrangements on dividend distribution may materially and adversely affect the results of the operations and financial condition of the Group, and gains on sale of the shares may be subject to withholding taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law (''EIT Law''), a withholding income tax of 20% is applicable to dividends derived from sources within China paid by foreign-invested Chinese enterprises to their non-Chinese parent companies, whereas pursuant to the implementation rules of the EIT Law a reduced withholding income tax of 10% applies to the same case. Similarly, any gain realized on the transfer of shares of foreign-invested Chinese enterprises by foreign investors is subject to a 10% PRC income tax if such gain is regarded as income derived from sources within China.

The Group may be classified as a ''PRC resident enterprise'' for PRC enterprise income tax purposes, which could result in its global income being subject to 25% PRC enterprise income tax

The EIT Law provides that an enterprise established outside China whose ''effective management '' is located in China is considered a ''PRC resident enterprise'' and will generally be subject to the uniform 25% enterprise income tax rate on its global income. Under the implementation rules of the EIT Law, ''effective management is defined as the organization body that effectively exercises management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, SAT released the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of Effective Management (''Circular 82'') that sets out the standards and procedures for determining whether the ''effective management body'' of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply:

(i) the senior management and core management departments in charge of daily operations are located mainly within the PRC;

(ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC;

(iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and

(iv) at least half of the enterprise's directors with voting rights or senior management reside within the PRC.

Although Circular 82 explicitly provides that the above standards apply to enterprises which are registered outside the PRC and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT's criteria for determining the tax residence of foreign enterprises in general. If the Company was treated as a PRC resident enterprise, the 25% PRC income tax on its global taxable income could materially and adversely affect its ability to satisfy any cash requirements which it may have.

Failure by the shareholders or beneficial owners who are PRC residents to make required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents may prevent the Group from distributing profits and could expose the Group and its shareholders who are PRC residents to liability under PRC laws.

The Circular Concerning Relevant Issues on the Foreign Exchange Administration of Raising Funds through Overseas Special Purpose Vehicles and Investing Back in the PRC by Domestic Residents (''SAFE Circular No.75''), promulgated by SAFE on October 21, 2005 and effective as of November 1, 2005, requires PRC residents with direct or indirect offshore investments, including overseas special purpose vehicles, to file a ''Registration Form of Overseas Investments Contributed by Domestic Individual Residents'' and register with SAFE. It also requires such investors to update SAFE within 30 days of any major changes in capital, including any increases and decreases of capital, share transfers, share swaps, mergers and divisions. Failure to register or update registrations may result in the prohibition of distributions or contributions from capital reductions, share transfers or liquidations from PRC entities to the relevant offshore entity in which the PRC resident has a direct or indirect investment.

Due to the uncertainty concerning the reconciliation of the notices with other approval requirements, it remains unclear how SAFE Circular No.75 and any future legislation concerning offshore or cross-border transactions will be interpreted, amended and implemented by the relevant PRC government authorities. To the best of the Group's knowledge, its PRC shareholders with offshore investments in the Group had registered with SAFE as to their offshore investments. Any failure by the Group's PRC shareholders to register with SAFE or update SAFE's records may result in the prohibition of distribution or contributions from capital reductions, share transfers or liquidations of its PRC subsidiaries and may affect its ownership structure, acquisition strategy, business operations, ability to make dividend payments to the shareholders and share price.

Fluctuations in the value of RMB may have a material adverse impact on shareholders

The value of the RMB against the USD and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of RMB into foreign currencies, including USD, has been based on rates set by the People's Bank of China. In 2005, the PRC Government changed its policy of pegging the value of RMB to the USD. Under the new policy, RMB is permitted to fluctuate within a band against a basket of currencies determined by the People's Bank of China, against which it could rise or fall by as much as 0.3% each day. On May 21, 2007, the PRC Government further widened the daily trading band to 0.5%. Between July 21, 2005 and December 31, 2009, RMB has appreciated significantly against the USD. In June 2010, the PRC Government indicated that it would make the foreign exchange rate of RMB more flexible, which increases the possibility of sharp fluctuations of RMB's value in the near future and the unpredictability associated with RMB's exchange rate. On April 16, 2012, the PRC Government further widened the daily trading band to 1%. Nevertheless, there still remains significant international pressure on the PRC Government to further liberalize its currency policy, which could result in further and more significant fluctuations in the value of RMB against the USD. Any significant revaluation of the RMB may have an adverse effect on the Group's turnover and financial condition and the value of any dividends payable on the Shares in foreign currency terms. To the extent that the Group needs to convert its proceeds in Singapore dollars from the Listing into the RMB amount for its operations, appreciation of RMB against the SGD would have an adverse effect on the RMB amount the Group would receive from the conversion. Conversely, if the Group needs to convert its RMB funds into SGD for the purpose of making payments for dividends on its Shares or for other business purposes, appreciation of the SGD against RMB would have a negative effect on the SGD amount to be converted into.

The Group is subject to the PRC's environmental laws and regulations

The Group's production facilities in the PRC will be subject to environmental laws and regulations imposed by the PRC authorities, *inter alia*, in respect of air protection, waste management and water protection. In the event stricter rules are imposed on air protection, waste management and water protection by the PRC authorities, the Group may have to incur higher costs to comply with such rules. Accordingly, the Group's financial performance may be adversely affected. In addition, the Group requires a licence for the discharge of pollutants for the Group's electroplating operations, which is subject to annual review and renewal. In the event that the Group fails to renew its licence with the relevant authority, the Group's operations and financial performance will be adversely affected.

While the Group believes that it is currently in compliance with such laws and regulations, failure to comply with such laws and regulations in the future could subject it to liabilities that may have an adverse effect on its business, financial condition and results of operations. In addition, any future change in the laws and regulations may require the Group to incur additional expenses to ensure compliance and may have an adverse effect on the Group's business, financial condition and results of operations.

The PRC regulations of loans and investments by offshore holding companies to Chinese entities may hinder the Group from using the net proceeds of the Admission to fund its business operations in the PRC

Any capital contributions or loans that the Group's offshore holding companies make to its operating subsidiaries in China are subject to PRC regulations. In particular, any of the Group's loans to its Chinese subsidiaries cannot exceed the difference between the total amount of investment the Group's Chinese subsidiaries are approved to make under relevant PRC laws and the registered capital of the

Group's Chinese subsidiaries, and such loans must be registered with the local branch of SAFE. In addition, the Group's capital contributions to the Group's Chinese subsidiaries must be approved by Ministry of Commerce of the People's Republic of China (''MOFCOM'') or its local counterpart. The Group cannot guarantee that it would be able to complete all the relevant necessary government registrations or obtain all required government approvals on a timely basis. Should the Group fail to complete such registrations and obtain such approvals, the Group's ability to utilize the net proceeds from the Admission to capitalize its PRC subsidiaries or otherwise fund the Group's business operations in China in the manner described in the section headed ''Reasons for Admission, the Placing and Use of Proceeds'' in this Admission Document may be adversely affected, which could in turn adversely affect the liquidity of the Group's two PRC subsidiaries, its ability to expand through its PRC subsidiaries' operations and its financial position and results of operations.

The Group faces risks relating to occurences of epidemics, which could have a material adverse effect on its business and results of operations

The Group's business is subject to the general economic, environmental and social conditions. In particular, it is possible for its business to be materially and adversely affected by the occurrence of epidemics. For example, over the past few decades, the PRC has suffered health epidemics related to the outbreak of A (H5N1 and H7N9) influenza, or avian flu, A (H1N1) influenza and severe acute respiratory syndrome, or SARS. Any prolonged recurrence of avian influenza A, influenza A, SARS or other adverse public health developments in the PRC may have a material and adverse effect on its business operations. These could include restrictions on the Group's ability to travel or ship products, as well as temporary closure of its factories and processing facilities. Such closures and/or travel or shipment restrictions would severely disrupt the Group's business operations and adversely affect its results of operations. Similarly, war, terrorist activity, threats of war or terrorist activity, social unrest and the corresponding heightened travel security measures instituted in response to such events, as well as geopolitical uncertainty and international conflict and tension, would affect economic development. In turn, there could be a material adverse effect on the Group's business, financial condition and results of operations.

The Group requires various licences and permits to operate its business

The Group is required to obtain various licences and permits in the PRC for its business activities. The licences and permits are generally subject to conditions stipulated in the licences and permits and/ or relevant laws or regulations under which such licences and permits are issued. Failure to comply with such conditions can result in the revocation or non-renewal of the relevant licence or permit. As such, the Group will have to constantly monitor and ensure that it complies with such conditions. Should there be any failure to comply with such conditions resulting in the revocation of any of the licences and permits, such as the Licence for Discharge of Pollutants, the Group may not be able to carry out the Group's operations in the PRC. In such an event, the Group's operations and financial performance will be adversely affected. In order to comply with the conditions of the licences and permits, the Group may also need to invest additional capital to construct or improve existing facilities or purchase new fixed assets. Should the cost be significant, there will also be an adverse impact on the Group's financial performance.

The Group cannot provide assurance of the accuracy or comparability of facts, forecasts and statistics contained in this Admission Document with respect to the PRC, the PRC economy or the PRC related industries

Facts, forecasts and statistics in this Admission Document relating to the PRC, the PRC economy or the PRC related industries, including the Group's market share information, are derived from various official sources and information published by various government authorities and departments such as the People's Bank of China, National Development and Reform Commission and MOFCOM or other public sources, which are generally believed to be reliable. However, the Group cannot guarantee the quality, comparability and reliability of such material. In addition, these facts, forecasts and statistics have not been independently verified by the Group and may not be consistent with information available from other sources, and may not be complete or up to date. The Group has taken reasonable care in reproducing or extracting the information from such sources. However, because of potentially flawed methodologies, discrepancies in market practice and other reasons, these facts, forecasts and other statistics may be inaccurate or may not be comparable from period to period or to facts, forecasts or statistics offered by other economies. As a result, undue reliance should not be placed on such information.

As certain of the Group's subsidiaries, operations and significant assets are located outside Singapore, shareholders may not be accorded the same rights and protection that would be accorded under the Singapore Companies Act. In addition, it could be difficult to enforce a Singapore judgment against the Company and/or the Group's directors and officers

Certain of the Group's subsidiaries, operations and assets are located in the PRC. The Group's subsidiaries in the PRC are therefore subject to the relevant laws in the PRC. The Singapore Companies Act may provide shareholders with certain rights and protection which may not have corresponding or similar provisions under the laws of the PRC. As such, shareholders in the Group may or may not be accorded the same level of shareholder rights and protection that would be accorded under the Singapore Companies Act. As such, there may be difficulty for shareholders to effect service of process in Singapore, or to enforce a judgment obtained in Singapore against the Company and/or its directors and officers.

General Risks

Taxation

Any change in the Group's tax status or in taxation legislation could affect the Group's ability to provide returns to Shareholders or alter post tax returns to Shareholders. Statements in this document concerning the taxation of holders of Ordinary Shares are based on current Singapore and UK tax law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

Volatility of Ordinary Share price

The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part II, as well as stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the Group's actual financial, trading or operational performance. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares (or the perception that such sales may occur, as, for example in the period leading up to the expiration of the various lock-in agreements to which certain Shareholders are subject), legislative changes and market, economic, political or regulatory conditions.

Liquidity of Ordinary Shares

Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

The Ordinary Shares will not be Admitted to the Official List

Ordinary Shares will be traded on AIM and will not be admitted to the Official List or admitted to trading on the London Stock Exchange's main market for listed securities. The rules of AIM are less demanding than those of the Official List and an investment in Ordinary Shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in Ordinary Shares on AIM may have limited liquidity, making it more difficult for an investor to realise its investment than might be the case in respect of an investment in shares which are quoted on the London Stock Exchange's main market for listed securities. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than the market prices of shares quoted on the London Stock Exchange's main market for listed securities and may not reflect the underlying value of the net assets of the Group. For these and other reasons, investors may not be able to sell at a price which permits them to recover their original investment.

Legislation and Compliance

This document has been prepared on the basis of current legislation, rules and practice and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change.

Additional Capital and Dilution

If the Group fails to generate sufficient revenue, then it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion and development. If the Group is unable to obtain this financing on terms acceptable to it, then it may be forced to curtail its planned strategic development. If additional funds are raised through the issue of new equity or equity-linked securities of the Group other than on the basis of a *pro rata* offer to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

Dividends

There can be no assurance that the Company will declare dividends or as to the level of any dividends. The approval of the declaration and amount of any dividends of the Company is subject to the discretion of the directors of the Company (and, in the case of any final dividend, the discretion of the Shareholders) at the relevant time and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of distributable profits, as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

PART III

FINANCIAL INFORMATION ON THE GROUP

SECTION A

Accountant's Report on the historical financial information on Global Invacom Group Limited

27 June 2014

The Directors
Global Invacom Group Limited
8 Temasek Boulevard,
#20-03 Suntec Tower Three,
Singapore 038988

The Directors
finnCap Ltd
60 New Broad Street
London
EC2M 1JJ

The Partners
Mirabaud Securities LLP
33 Grosvenor Place
London, SW1X 7HY

Dear Sirs

Global Invacom Group Limited (the "Company") together with its subsidiary undertakings (the "Group")

We report on the financial information of the Group set out in Part III of the AIM admission document dated 27 June 2014 (the "**Admission Document**"). This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

The directors of the Group are responsible for preparing the financial information on the basis of preparation set out in note 3 to the financial information and in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view for the purposes of the Admission Document, and to report our opinion to you.

Basis of Opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at 31 December 2011, 2012 and 2013 and of its profits/losses, cash flows, and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 3 to the financial information and in accordance with International Financial Reporting Standards, as described in note 3 to the financial information, and has been prepared in a form that is consistent with the accounting policies adopted in the Group's latest audited accounts.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Moore Stephens LLP

Chartered Accountants

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000	2012 US$'000	2013 US$'000
Revenue	(5)	62,876	74,697	115,750
Cost of sales		(45,035)	(60,644)	(86,546)
Gross profit		17,841	14,053	29,204
Other income		—	42	702
Distribution costs		—	(79)	(205)
Administrative expenses		(12,535)	(15,853)	(20,460)
Other operating expenses	(13)	(243)	(16,797)	—
Finance income	(6)	1	20	40
Finance costs	(7)	(21)	(51)	(7)
Profit/(Loss) before income tax	(8)	5,043	(18,665)	9,274
Income tax (expense)/credit	(9)	(952)	918	(1,236)
Profit/(Loss) after income tax attributable to equity holders of the Company		4,091	(17,747)	8,038
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences on translation of foreign subsidiaries		48	662	(255)
Other comprehensive income/(loss) for the year, net of tax		48	662	(255)
Total comprehensive income/(loss) for the year attributable to equity holders of the Company		4,139	(17,085)	7,783
Earning/(Loss) per share (cents)				
– Basic	(10)	3.34	(10.64)	3.42
– Diluted	(10)	3.34	(10.64)	3.41

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000	2012 US$'000	2013 US$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	(11)	2,970	6,505	10,800
Goodwill	(13)	—	3,260	3,260
Intangible assets	(14)	890	2,186	3,124
Available-for-sale financial assets	(15)	8	8	8
		3,868	11,959	17,192
Current Assets				
Inventories	(16)	9,429	18,981	25,833
Trade receivables	(17)	6,794	18,496	19,156
Other receivables and prepayments	(18)	805	2,796	2,499
Tax receivable		—	632	—
Cash and cash equivalents	(19)	1,880	20,835	14,662
		18,908	61,740	62,150
Total assets		22,776	73,699	79,342
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	(20)	3,985	44,174	45,161
Reserves	(21)	8,618	(8,195)	(369)
Total equity		12,603	35,979	44,792
Non-current Liabilities				
Other payables	(22)	—	11,113	5,367
Deferred taxation	(23)	261	339	621
		261	11,452	5,988
Current Liabilities				
Trade payables		7,123	11,754	16,204
Other payables	(22)	2,478	13,899	11,217
Borrowings	(24)	—	615	128
Provision for income tax		311	—	1,013
		9,912	26,268	28,562
Total liabilities		10,173	37,720	34,550
Total equity and liabilities		22,776	73,699	79,342

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

Group	Note	Share capital US$'000	Merger reserve US$'000	Capital redemption reserve US$'000	Share options reserve US$'000	Capital reserve US$'000	Foreign currency translation reserve US$'000	Retained profits US$'000	Total US$'000
Balance as at 1 Jan 2011		3,982	(10,150)	6	79	—	—	14,713	8,630
Issuance of shares	(20)	3	—	—	—	—	—	—	3
Cancellation of share capital		—	—	—	—	—	—	(26)	(26)
Resale of treasury shares		—	—	—	—	—	—	(168)	(168)
Share-based payments		—	—	—	25	—	—	—	25
Share options exercised		—	—	—	(6)	—	—	6	—
Profit for the year		—	—	—	—	—	—	4,091	4,091
Other comprehensive income :									
Exchange differences on translating foreign operations		—	—	—	—	—	48	—	48
Total other comprehensive income for the year		—	—	—	—	—	48	4,091	4,139
Balance as at 31 Dec 2011		3,985	(10,150)	6	98	—	48	18,616	12,603
Balance as at 1 Jan 2012		3,985	(10,150)	6	98	—	48	18,616	12,603
Issuance of shares pursuant to share swap consideration	(20)	30,501	—	—	—	—	—	—	30,501
Issuance of compliance shares	(20)	10,468	—	—	—	—	—	—	10,468
Expenses on issuance of shares	(20)	(780)	—	—	—	—	—	—	(780)
Cancellation of share capital		—	—	—	—	—	—	(26)	(26)
Sale of treasury shares		—	—	—	—	—	—	277	277
Share-based payments		—	—	—	21	—	—	—	21
Share options exercised		—	—	—	(119)	—	—	119	—
Loss for the year		—	—	—	—	—	—	(17,747)	(17,747)
Other comprehensive income :									
Exchange differences on translating foreign operations		—	—	—	—	—	662	—	662
Total other comprehensive loss for the year		—	—	—	—	—	662	(17,747)	(17,085)
Transfer to capital reserve in accordance with statutory requirements		—	—	—	—	555	—	(555)	—
Balance as at 31 Dec 2012		44,174	(10,150)	6	—	555	710	684	35,979
Balance as at 1 Jan 2013		44,174	(10,150)	6	—	555	710	684	35,979
Issuance of shares	(20)	1,942	—	—	—	—	—	—	1,942
Purchase of treasury shares	(20)	(955)	—	—	—	—	—	—	(955)
Share-based payments		—	—	—	43	—	—	—	43
Profit for the year		—	—	—	—	—	—	8,038	8,038
Other comprehensive loss :									
Exchange differences on translating foreign operations		—	—	—	—	—	(255)	—	(255)
Total other comprehensive income for the year		—	—	—	—	—	(255)	8,038	7,783
Balance as at 31 Dec 2013		45,161	(10,150)	6	43	555	455	8,722	44,792

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000	2012 US$'000	2013 US$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax		5,043	(18,665)	9,274
Adjustments for:				
Depreciation of property, plant and equipment		379	1,074	1,435
Amortisation of intangible assets		4	6	6
Loss/(Gain) on disposal of property, plant and equipment		—	2	(91)
Allowance for inventory obsolescence		—	33	7
Write back of inventory obsolescence		(95)	(170)	(308)
Unrealised exchange loss/(gain)		37	483	(817)
Interest income		(1)	(20)	(40)
Interest expense		21	51	7
Share-based payments		25	21	43
Impairment of intangible assets		—	—	16
Impairment of goodwill arising from reverse acquisition		—	16,802	—
Operating cash flow before working capital changes		5,413	(383)	9,532
Changes in working capital:				
Inventories		(289)	1,208	(5,393)
Trade receivables		604	3,007	286
Other receivables and prepayments		(251)	(5,713)	(897)
Trade and other payables		(1,456)	(299)	3,381
Cash generated from/(used in) operating activities		4,021	(2,180)	6,909
Interest paid		(21)	(72)	(7)
Income tax (paid)/refund		(609)	(638)	756
Net cash generated from/(used in) operating activities		3,391	(2,890)	7,658
Cash Flows from Investing Activities				
Interest received		1	20	40
Purchase of property, plant and equipment	(11)	(1,637)	(1,216)	(2,403)
Proceeds from disposal of property, plant and equipment		—	—	93
Increased in capitalised development cost	(14)	(629)	(1,235)	(962)
Completion of reverse acquisition, net of cash acquired	(13)	—	18,730	—
Payments to acquire intangible assets through business combinations		(265)	—	—
Acquisition of subsidiary, net of cash acquired	(13)	—	(2,960)	(2,310)
Cash consideration paid for reverse acquisition	(22)	—	—	(7,500)
Net cash (used in)/generated from investing activities		(2,530)	13,339	(13,042)
Cash Flows from Financing Activities				
Proceeds from share issue		3	—	—
Proceeds from borrowings		—	4,538	527
Repayment of borrowings		—	(3,923)	(1,014)
Issuance of compliance shares	(20)	—	10,468	—
Expenses on issuance of shares	(20)	—	(780)	—
Treasury shares	(20)	(168)	277	(955)
Cancellation of own shares		(26)	(26)	—
Decrease/(Increase) in restricted cash	(19)	188	(2,908)	2,023
Net cash (used in)/generated from financing activities		(3)	7,646	581
Net increase/(decrease) in cash and cash equivalents		858	18,095	(4,803)
Cash and cash equivalents at the beginning of the year		1,050	1,855	17,902
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(53)	(2,048)	653
Cash and cash equivalents at the end of the year	(19)	1,855	17,902	13,752

1 General

Global Invacom Group Limited (the ''Company'') is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (''SGX-ST''). The registered address of the Company and the principal place of business is at 8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are set out in Note 12.

2 Reverse Acquisition In Prior Year

On 5 July 2012, the Company effectively completed the acquisition of the entire issued and paid-up share capital of Global Invacom Holdings Limited (''GIHL'') and its subsidiaries (the ''GIHL Group''), for a purchase consideration of US$49.0 million, satisfied by the allotment and issuance of 122,515,189 consolidated shares in the capital of the Company at the issue price of S$0.3087 and cash consideration of US$18.5 million to the then shareholders of GIHL (the ''Vendors'').

Following the completion of the reverse acquisition on 5 July 2012;

(i) the GIHL Group became wholly-owned subsidiaries of the Company;

(ii) share consolidation of every four (4) ordinary shares into one (1) consolidated share from 263,771,400 ordinary shares to 65,942,846 consolidated shares, rounded down to the nearest whole consolidated share and any fractions of share arising from the share consolidation was disregarded;

(iii) 122,515,189 consolidated shares were allotted and issued by the Company to the respective vendors in satisfaction of the consideration of the reverse acquisition; and

(iv) the Company completed a compliance placement exercise with the allotment and issuance of 41,539,000 new placement shares at S$0.3087 per share, which raised gross proceeds of approximately S$12.8 million on 18 September 2012. The compliance placement exercise was undertaken to comply with the public shareholding spread requirements under the SGX-ST Listing Manual following the allotment and issuance of 122,515,189 consideration shares pursuant to the terms of the reverse acquisition.

For the purpose of accounting for a reverse acquisition, the Company referred to guidance provided in IFRS 3 – *Business Combinations* which is set out in Note 3(b) to the financial information.

3 Significant Accounting Policies

(a) Basis of Preparation

Pursuant to the Company's proposed secondary flotation on the AIM Market of the London Stock Exchange during the year ended 31 December 2014, the Group's financial information for the financial year ended 31 December 2013 and its comparatives have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as compared to Singapore Financial Reporting Standards (''SFRS'') in the previous financial years. IFRS comprise International Financial Reporting Standards; International Accounting Standards (''IAS''); Interpretations (''IFRIC'') issued by the International Accounting Standards Board (''IASB''); and Interpretations issued by the Standing Interpretations Committee (''SIC''). The change in the basis of preparation of the Group's financial information did not result in substantial changes to the Group's accounting policies, presentation of the Group's financial information and amounts reported for the current year and prior years, as essentially there are no significant differences between IFRS and SFRS.

The financial information, which are expressed in United States Dollar (''US$''), are rounded to the nearest thousand (US$'000), except as otherwise indicated. The financial information has been prepared on a historical cost basis, except as disclosed in the accounting policies below.

Adoption of New/Revised IFRS which are effective

On 1 January 2013, the Group adopted the following new/amended standards that are mandatory for annual financial periods beginning on or after 1 January 2013:

		Effective for accounting periods beginning on or after
IAS 1 (Amendment)	*Presentation of Items of Other Comprehensive Income*	1 July 2012
IFRS 10	*Consolidated Financial Statements*	1 January 2013
IFRS 13	*Fair Value Measurements*	1 January 2013
IAS 1 (Amendment)	*Presentation of Financial Statements**	1 January 2013

* *Annual Improvements to IFRSs 2012*

Amendment to IAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to IAS 1 Presentation of Items of Other Comprehensive Income changes the grouping of items presented in other comprehensive income. Items that will be reclassified subsequently to profit or loss when specific conditions are met would be presented separately from items that will not be reclassified subsequently to profit or loss. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there is no impact on the financial position or performance of the Group upon adoption of these amendments.

IFRS 10 *Consolidated Financial Statements*

IFRS 10 *Consolidated Financial Statements* supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation – Special Purpose Entities*.

The standard changes the definition of control and applies it to all investees to determine the scope of consolidation. IFRS 10 requirements will apply to all types of potential subsidiary. It requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group has reassessed which entities the Group controls and the standard has no impact on the financial position or performance of the Group.

IFRS 13 *Fair Value Measurement*

IFRS 13 *Fair Value Measurement* provides guidance on how to measure fair values for including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It establishes a fair value hierarchy for doing this. The adoption of this standard does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by IFRS 13 into the financial information.

Annual Improvements to IFRSs *(August 2012)*

Amendment to IAS 1 *Presentation of Financial Statements*

The amendment clarifies the disclosure requirements for voluntary additional comparative information when an entity provides a third statement of financial position either as required by IAS 8 *Accounting policies, changes in accounting estimates and errors' and minimum required comparative information*. Generally, the minimum required comparative information is the previous period. As this is a disclosure standard, it has no impact on the financial position or performance of the Group.

New/Revised IFRS issued but not yet effective

At the date of this financial information, the following new or revised standards have been issued and are relevant to the Group but not yet effective:

		Effective for accounting periods beginning on or after
IFRS 2	*Share-based Payments**	1 July 2014
IFRS 9	*Financial Instruments*	Tentative 1 January 2018
IFRS 15	*Revenue from Contracts with Customers*	1 January 2017

* *Under the improvements to IFRSs 2013*

The directors expected the adoption of the above new or revised standards will have no significant effect on the Group's financial information on application.

(b) Group Accounting

Consolidation

The consolidated financial information comprises the financial information of the Company and its subsidiaries as at the end of the reporting period. The financial information of the subsidiaries used in the preparation of the consolidated financial information is prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will re-assess 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group companies and are deconsolidated from the date that control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IFRS 9.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity in the consolidated statement of financial position, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

For non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in other standards.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (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 is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 3(e). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Disposals of subsidiaries or businesses

When a change in the ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Reverse acquisition

The reverse acquisition as described in Note 2 has been accounted for as a reverse acquisition based on guidance provided in IFRS 3 – *Business Combinations* which considered the legal subsidiary (i.e. GIHL) is the acquirer for the purpose of accounting for reverse acquisitions. Accordingly, the consolidated financial information of the Group for the financial year ended 31 December 2012 represent a continuation of the consolidated financial information of the GIHL Group as follows:

- the assets and liabilities of the GIHL Group are recognised and measured in the consolidated statement of financial position at their pre-combination carrying amounts;
- the retained earnings and other equity balances recognised in the consolidated financial information are the retained earnings and other equity balances of the GIHL Group immediately before the business combination; and
- the amount recognised as issued equity instruments in the consolidated financial information is determined by adding to the issued shares of GIHL Group immediately before the business combination the costs of the combination of the reverse acquisition. However, the equity structure appearing in the consolidated financial information (i.e. the number of shares issued) reflect the equity of the Company (i.e. legal parent), including the equity instruments issued by the Company to reflect the combination.

Consolidated financial information prepared following a reverse acquisition shall reflect the fair values of the assets and liabilities of the legal parent. Therefore, the cost of the combination for the acquisition is allocated to the identifiable assets and liabilities of the legal parent that satisfy the recognition criteria at their fair values as at the date of acquisition. The excess of the cost of the combination over GIHL's interest in the net fair value of those items is recognised as goodwill.

(c) Functional and Foreign Currencies

Functional and presentation currency

The individual financial information of each group entity is presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial information, the results and financial position of each group entity are expressed in United States Dollar ("US$"), which is the presentation currency for the consolidated financial information. All values are rounded to the nearest thousand (US$'000), except as otherwise indicated.

Prior to 1 January 2013, the presentation currency of the Group was S$. Effective 1 January 2013, the Group changed its presentation currency from S$ to US$. The significant portions of the Group's revenue, expenses and cash flows are denominated in US$. The change in presentation currency is to better reflect the Group's business activities and will result in a more appropriate presentation of the Group's financial position and performance. It also improves shareholders' and investors' ability to compare the Group's financial results with other publicly traded business in the similar industry. The change of presentation currency of the financial information from S$ to US$ has been applied retrospectively.

Transactions and balances

In preparing the financial information of the individual group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial information and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of group entities' financial information

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the date of that statement of financial position;
- income or expense for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation, all of the accumulated currency translation differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any currency translation differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

(d) Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment acquired with individual values under US$1,000 are not capitalised, they are recognised as an expense in the statement of comprehensive income.

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated on the straight-line basis to write off the cost of property, plant and equipment over the estimated useful lives of the assets as follows:

Freehold property	–	20 years
Machinery and equipment	–	3 to 10 years
Furniture, fittings and equipment	–	3 to 10 years
Motor vehicles	–	3 to 10 years
Renovations	–	1 to 5 years

Included in freehold property is freehold land of approximately US$2,825,000 (2012: US$500,000, 2011: Nil) which has an unlimited useful life and therefore is not depreciated.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset.

The carrying amounts 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 value, useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Goodwill on Consolidation

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the fair value of the Group's share of their identifiable net assets, including contingent liabilities, at the date of acquisition. Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount (including the goodwill), an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and value-in-use. Impairment loss on goodwill is not reversed in a subsequent period.

(f) Intangible Assets

Club membership

Acquired club membership is shown at historical cost. The club membership is assessed as having an indefinite life as the contract is open ended and there is no foreseeable limit to the period over which the membership is expected to generate cash to the Group. The club membership is tested for impairment annually and carried at cost less any accumulated impairment losses.

Research and development expenditure

Research expenditure is recognised in operating expenses in profit or loss as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Group has the ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expenses as incurred.

Capitalised development costs

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) management intends to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of five (5) years from the date that the product is brought into first use. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Trading name

Trading name is measured initially at cost. Following initial recognition, trading name is measured at cost less any impairment losses. Trading name is assessed as having an indefinite useful life as there is no foreseeable limit to the period over which the trading name is expected to generate economic benefits to the Group, including market presence and trading contacts. The indefinite useful life is reviewed annually to ensure the useful life assessment continues to be supportable.

Trading name is reviewed for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the trading name relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment loss on trading name is not reversed in a subsequent period.

Intellectual property rights

Intellectual property rights (comprising granted patents and patents pending) are measured initially at cost. Following initial recognition, intellectual property rights are measured at cost less accumulated amortisation and any accumulated impairment losses. Intellectual property rights are amortised on a straight line basis over a period of ten (10) years from the date that the patent is granted.

The useful life and amortisation method are reviewed annually to ensure that the method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the intellectual property rights.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

For satellite communications inventories which consist of finished goods held for sale, cost is determined on a first-in, first-out (FIFO) basis. For contract manufacturing inventories, cost is determined on a weighted average basis, which include the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, the cost of work-in-progress and finished goods comprises raw materials, direct labour and related production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale. Allowance is made for obsolete and slow-moving items.

(h) Financial Assets

i. Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

ii. Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of an available-for-sale financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in other comprehensive income is recognised in profit and loss.

Available-for-sale financial assets are included in non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets.

iii. Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

iv. Subsequent measurement

Loans and receivables

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets, available-for-sale

Available-for-sale financial assets are subsequently carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in other comprehensive income. Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until the investment is sold, collected or otherwise disposed of, or until the financial asset is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit and loss. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost less impairment.

v. Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Any impairment losses on equity investments classified as an available-for-sale financial asset are recognised in profit and loss.

(i) Impairment of Non-financial Assets

Non-financial assets (excluding goodwill and intangible assets with indefinite useful lives) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances 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 purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less bank deposits pledged as security.

(k) Trade and Other Payables

Trade and other payables, which are normally settled on 30 to 90 day terms, are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method.

(l) Share Capital

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

(m) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved by the shareholders for payment.

(n) Treasury Shares

When any entity within the Group purchases the Company's ordinary shares (''treasury shares''), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(o) Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(q) Revenue Recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business, net of goods and services/value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Sale of goods

Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

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

(r) Employee Benefits

Defined contribution plans

Defined contribution plans (including state-managed retirement benefit schemes) are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contributions plans are recognised as an expense in profit or loss as they fall due.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognised for services rendered by employees up at the end of the reporting period.

Employee share options

– Equity-settled share options

  The cost of equity-settled share options with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

  The fair value determined at the grant date of the equity-settled options is recognised as an expense of employee share options in profit or loss with a corresponding increase in the share options reserve over the vesting period, based on the Company's estimate of shares that will eventually vest. Where the vesting conditions of a share-based compensation plan is not met, it shall be considered as forfeiture. The expense shall be revised to reflect the best available estimate of the number of equity instruments expected to vest. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

– Cash-settled options

The cost of cash-settled share options is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. This fair value is expensed over the vesting period with the recognition of a corresponding liability. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognised in profit or loss.

– Group cash-settled share-based payment transactions

If an entity in the Group is settling a share-based payment transaction, when another entity in the Group receives the goods or services, it shall recognise the transaction as an equity-settled share-based payment transaction only when it is settled in the entity's own equity instruments. Otherwise, the share-based payment transaction shall be recognised as a cash-settled share-based payment transaction.

(s) Operating Leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

(u) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

– where the deferred tax 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;

– in respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– in respect of deductible temporary differences and carry-forward of unutilised tax credits and tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax credits and tax losses can be utilised.

Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date.

Current and deferred income taxes are recognised as income or expenses in the consolidated income statement for the financial period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

4 Critical Accounting Judgements and Estimates

The preparation of financial information in conformity with IFRS requires management to exercise its judgement in the process of applying the Group's accounting policies, as set out in Note 3, based on historical experience and other factors considered to be relevant.

The preparation of financial information also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial information are discussed below.

(i) Allowance for inventory obsolescence

Reviews are made periodically by management in respect of inventories for excess inventories, obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving experiences.

During the current financial year, the Group wrote-back an allowance of approximately US$308,000 (2012: US$170,000, 2011: US$95,000) for inventory obsolescence (Note 8). The Group has made an allowance for inventory obsolescence for the financial year ended 31 December 2013 of US$7,000 (2012: US$33,000, 2011: Nil) (Note 8) and no stock obsolescence was written-off (2012: US$751,000, 2011: Nil) (Note 16). The carrying amount of the Group's inventories as at 31 December 2013 was US$25,833,000 (2012: US$18,981,000, 2011: US$9,429,000) (Note 16).

(ii) Impairment of trade receivables

Management reviews trade receivables for objective evidence of impairment on a periodic basis. Significant financial difficulties of the debtor, the probability that the debtors will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant adverse changes in the technology, market, economic or legal environment in which the debtor operates. Where there is objective evidence of impairment, management judges whether an impairment loss should be recorded against the receivable.

During the financial year ended 31 December 2013, no impairment loss was recognised in profit or loss for trade receivables (2012: Nil, 2011: Nil). The carrying amount of the Group's trade receivables was US$19,156,000 (2012: US$18,496,000, 2011: US$6,794,000) (Note 17).

(iii) Capitalised development costs

Management determine the amount of development costs to be recognised as intangible assets at each reporting date. In making their judgement, management have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Group in accordance with the Group's accounting policy stated in Note 3(f).

The carrying amount of the Group's capitalised development costs as at 31 December 2013 was US$2,826,000 (2012: US$1,864,000, 2011: US$629,000) (Note 14).

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within one (1) to twenty (20) years. The carrying amount of the Group's property, plant and equipment as at 31 December 2013 was US$10,800,000 (2012: US$6,505,000, 2011: US$2,970,000) (Note 11). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual value of these property, plant and equipment, which management assesses annually and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such an estimate has been changed.

If depreciation on property, plant and equipment increases/decreases by 10% from management's estimate, the Group's profit/(loss) for the year ended 31 December 2013 will decrease/increase by approximately US$143,500 (2012: US$107,500, 2011: US$37,900).

(ii) Impairment of goodwill

Goodwill arising from acquisition of subsidiaries is tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill on consolidation as at 31 December 2013 was US$3,260,000 (2012: US$3,260,000, 2011: Nil) (Note 13).

No impairment loss was recognised for the goodwill arising from acquisition of subsidiaries assessed as at 31 December 2013 (2012: Nil, 2011: Nil) as the relevant recoverable amounts were in excess of the respective carrying amounts.

If the management's estimated pre-tax discount rates applied to the discounted cash flows for the CGUs as at 31 December 2013 is increased by 1% (2012: 1%, 2011: 1%), the relevant recoverable amounts are still in excess of the respective carrying amounts of the goodwill.

The Group has recognised an impairment loss amounting to US$16,802,000 in relation to goodwill arising from the reverse acquisition during the financial year ended 31 December 2012. No reversal of goodwill impairment is allowed in accordance with the provision of IAS 36.

(iii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. In determining the income tax liabilities. Management is required to estimate the amount of capital allowances and the deductibility of certain expenses at each tax jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. 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 Group has recognised an income tax expense of US$1,236,000 for the financial year ended 31 December 2013 (2012: income tax credit of US$918,000, 2011: income tax expense of US$952,000) (Note 9). The carrying amounts of the Group's current income tax liabilities were US$1,013,000 (2012: income tax receivable of US$632,000, 2011: income tax liabilities of US$311,000) and deferred income tax liabilities were US$621,000 (2012: US$339,000, 2011: US$261,000) (Note 23) as at 31 December 2013.

5 Revenue

	2011 US$'000	2012 US$'000	2013 US$'000
Sale of goods	62,876	74,697	115,750

6 Finance Income

	2011 US$'000	2012 US$'000	2013 US$'000
Interest income on fixed deposits	1	20	40

7 Finance Costs

	2011 US$'000	2012 US$'000	2013 US$'000
Interest expense on borrowings	21	51	7

8 Profit/(Loss) Before Income Tax

	2011 US$'000	2012 US$'000	2013 US$'000
This is arrived at after charging/(crediting):			
Cost of inventories recognised as an expense (included in cost of sales)	45,035	60,644	86,546
Amortisation of intangible assets	4	6	6
Depreciation of property, plant and equipment included in:			
– cost of sales	—	317	689
– administrative expenses	379	757	746
Audit fees – Company's auditors	147	48	153
– Other auditors	—	168	194
Non-audit fees – Other auditors	51	35	30
Loss/(Gain) on disposal of property, plant and equipment (included in other income/other operating expenses)	—	2	(91)
Operating lease expense	193	1,119	1,762
Write-back of inventory obsolescence	(95)	(170)	(308)
Allowance for inventory obsolescence	—	33	7
(Gain)/Loss on foreign exchange (included in other income/other operating expenses)	(242)	22	(458)
Research and development expense (included in administrative expenses)	999	629	357
Impairment of intangible assets	—	—	16
Impairment of goodwill arising from reverse acquisition (included in other operating expenses)	—	16,802	—

9 Income Tax Expense/(Credit)

	2011 US$'000	2012 US$'000	2013 US$'000
Income tax expense attributable to the results is made up of:			
Current income tax			
– current year	771	208	903
– under/(over) provision in prior year	79	(898)	35
Losses carry back against prior year liability	—	(186)	—
	850	(876)	938
Deferred tax	102	—	266
Withholding tax			
– current year	—	41	32
– over provision in prior year	—	(83)	—
	952	(918)	1,236

The income tax expense/(credit) on the profit/(loss) before income tax varies from the amount of income tax expense/(credit) determined by applying the applicable tax rates in each jurisdiction the Group operates due to the following factors:

	2011 US$'000	2012 US$'000	2013 US$'000
Profit/(Loss) before income tax	5,043	(18,665)	9,274
Income tax expense/(credit) calculated at applicable tax rates	1,336	(3,312)	2,130
Non-deductible expenses	104	3,175	541
Non-taxable income	—	(92)	(225)
Deferred tax assets not recognised	—	732	—
Utilisation of unrecognised deferred tax asset	—	(227)	(1,063)
Research and development credits	(567)	(254)	(214)
Over/(Under) provision of income tax in prior year	79	(898)	35
Withholding tax			
– current year	—	41	32
– over provision in prior year	—	(83)	—
	952	(918)	1,236

The effect of non-deductible expenses in 2012 is determined by applying the applicable rate of tax to non-deductible expenses, arising mainly from impairment of goodwill arising from reverse acquisition as disclosed in Note 8.

The applicable tax rates used for the reconciliations above are the corporate tax rates payable by entities on taxable profits under tax law in the following jurisdictions:

	2011	2012	2013
Singapore	—	17%	17%
England and Wales	26.5%	24.5%	23.25%
Malaysia	—	25%	25%
People's Republic of China	—	25%	25%

The remaining entities of the Group operating in jurisdictions other than the above have either no taxable income or are not material.

According to a joint circular of the Ministry of Finance and the State Administration of Taxation, Cai Shui [2008] No. 1, only the profits earned by a foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be exempted from withholding tax. Whereas, dividends distributed out of the profit generated thereafter, shall be subject to EIT at

10% (or at the concessionary rate of 5%, if applicable) and withheld by the PRC entity, pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Details Implementation Rules.

As at 31 December 2013, withholding tax on the portion of the undistributed earnings derived by the Group's subsidiaries in the PRC which is expected to be distributed out as dividends in the foreseeable future amounted to approximately US$32,000 (2012: US$41,000, 2011: Nil), has been accrued to the Group's financial information.

Unrecognised tax losses

As at 31 December 2013, the Group has unutilised tax losses of approximately US$13,527,000 (2012: US$15,203,000, 2011: Nil) which can be carried forward and used to offset against future taxable income of those Group entities in which the losses arose, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. A deferred tax asset arising from these unutilised tax losses carried forward has not been recognised in accordance with the Group's accounting policy stated in Note 3(u). The deferred tax asset not recognised is estimated to be US$2,439,000 (2012: US$2,800,000, 2011: Nil).

The Group does not have any unrecognised deferred taxation asset at 31 December 2013 (2012: US$2.0 million, 2011: US$2.1 million) relating to costs associated with past services received in 2010. During the year ended 31 December 2013, the Group received tax relief of US$702,000 relating to part of these costs (2012: US$167,000, 2011: Nil).

10 Earning/(Loss) Per Share

The calculation of weighted average number of ordinary shares for both basic earnings per share and diluted earnings per share takes into account the reverse acquisition (note 3b) and relevant adjustments required under IFRS 3.

(a) Basic Earning/(Loss) Per Share

Basic earning/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2011	2012	2013
Net profit/(loss) for the year attributable to equity holders of the Company (US$'000)	4,091	(17,747)	8,038
Weighted average number of ordinary shares outstanding for basic earning/(loss) per share computation ('000)	122,515	166,863	235,347
Basic earning/(loss) per share (US cents)	3.34	(10.64)	3.42

(b) Diluted Earning/(Loss) Per Share

For the purpose of calculating diluted earning/(loss) per share, the total number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares, being the share options granted and remained outstanding, if any, as at the date of financial position.

For the share options, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's ordinary shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to the profit (numerator).

Diluted earning/(loss) per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2011	**2012**	**2013**
Net profit/(loss) for the year attributable to equity holders of the Company (US$'000)	4,091	(17,747)	8,038
Weighted average number of ordinary shares outstanding for diluted earning/(loss) per share computation ('000)	122,515	166,863	235,600
Diluted earning/(loss) per share (US cents)	3.34	(10.64)	3.41

11 Property, Plant and Equipment

	Freehold property US$'000	Machinery & equipment US$'000	Furniture fittings & equipment US$'000	Motor vehicles US$'000	Renovations US$'000	Total US$'000
2011						
Cost						
Balance as at 1 January 2011	—	502	4,628	41	878	6,049
Additions	—	542	1,092	—	—	1,634
Acquired through business combinations	—	—	3	—	—	3
Balance as at 31 December 2011	—	1,044	5,723	41	878	7,686
Accumulated depreciation						
Balance as at 1 January 2011	—	452	3,062	38	785	4,337
Depreciation charge	—	67	296	1	15	379
Balance as at 31 December 2011	—	519	3,358	39	800	4,716
Net book value						
Balance as at 31 December 2011	—	525	2,365	2	78	2,970
2012						
Cost						
Balance as at 1 January 2012	—	1,044	5,723	41	878	7,686
Currency realignment	—	33	—	—	3	36
Additions	—	576	576	—	64	1,216
Acquired through reverse acquisition (Note13)	—	11,118	663	234	159	12,174
Acquired through business combinations (Note 13)	519	362	—	19	10	910
Disposals	—	(12)	(2)	(4)	—	(18)
Balance as at 31 December 2012	519	13,121	6,960	290	1,114	22,004
Accumulated depreciation						
Balance as at 1 January 2012	—	519	3,358	39	800	4,716
Currency realignment	—	33	(3)	(1)	—	29
Depreciation charge	1	471	550	12	40	1,074
Acquired through reverse acquisition (Note13)	—	8,828	581	184	103	9,696
Disposals	—	(11)	(1)	(4)	—	(16)
Balance as at 31 December 2012	1	9,840	4,485	230	943	15,499
Net book value						
Balance as at 31 December 2012	518	3,281	2,475	60	171	6,505
2013						
Cost						
Balance as at 1 January 2013	519	13,121	6,960	290	1,114	22,004
Currency realignment	—	(8)	(1)	—	(3)	(12)
Additions	—	2,135	110	84	74	2,403
Acquired through business combination (Note13)	2,344	967	—	—	—	3,311
Disposals	—	(370)	(46)	(95)	—	(511)
Balance as at 31 December 2013	2,863	15,845	7,023	279	1,185	27,195
Accumulated depreciation						
Balance as at 1 January 2013	1	9,840	4,485	230	943	15,499
Currency realignment	—	(28)	—	—	(2)	(30)
Depreciation charge	5	867	462	29	72	1,435
Disposals	—	(371)	(44)	(94)	—	(509)
Balance as at 31 December 2013	6	10,308	4,903	165	1,013	16,395
Net book value						
Balance as at 31 December 2013	2,857	5,537	2,120	114	172	10,800

12 Investments in Subsidiaries

Details of the subsidiaries as at the end of the financial year are as follows:

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Company		
		2011	2012	2013
		%	%	%
Held by the Company				
Global Invacom Holdings Limited[1] England and Wales	Investment holding England and Wales	N/A	100	100
Global Invacom Sdn Bhd[2] Malaysia	Trading and manufacturing Malaysia	N/A	100	100
Global Invacom Manufacturing Pte Ltd[3] Singapore	Trading and investment holding Singapore	—	100	100
Radiance Cayman Limited[4] Cayman Islands	Marketing and promotion Cayman Islands	—	100	100
Radiance Electronics (Shenzhen) Co., Ltd[10] PRC	Electronics manufacturing services PRC	—	100	100
Sino-Brilliant Energy Pte Ltd[3][11] Singapore	Investment holding Singapore	—	100	100
Held by Subsidiary				
Global Invacom Manufacturing (Shanghai) Co., Ltd (formerly known as Radiance Electronics (Shanghai) Co., Ltd[5][10] PRC	Electronics manufacturing services PRC	—	100	100
Radiance Energy Technology Co., Ltd[6][10] PRC	Manufacturing and investment holding PRC	—	100	—
Global Invacom Limited[1][7] England and Wales	Design and sale of products for reception and transmission of satellite signals England and Wales	100	100	100
GI Provision Limited[1][7] England and Wales	Design and sales of HD video transmission and reception technology England and Wales	100	100	100
Invacom Holdings Limited[8] England and Wales	Dormant England and Wales	100	100	100
Invacom Limited[9] England and Wales	Dormant England and Wales	100	100	100
Invacom Systems Limited[9] England and Wales	Dormant England and Wales	100	100	100
The Waveguide Solution Limited[7] England and Wales	Design and manufacture of microwave waveguide components and applications England and Wales	—	100	100
Global Invacom Manufacturing (UK) Limited (formerly known as Raven Manufacturing Limited)[1][7] England and Wales	Manufacture and supply of antennas and related products England and Wales	—	—	100

(1) Audited by Moore Stephens LLP, London.
(2) Audited by Moore Stephens Associates & Co., Malaysia.
(3) Audited by Moore Stephens LLP, Singapore.
(4) Not required to be audited by law in its country of incorporation. However, the financial statements were reviewed in accordance with IFRS for consolidation purposes by Moore Stephens LLP, Singapore.
(5) Wholly-owned subsidiary of Global Invacom Manufacturing Pte Ltd.
(6) Wholly-owned subsidiary of Sino-Brilliant Energy Pte Ltd. It was deregistered at the date of this financial information.
(7) Wholly-owned subsidiary of Global Invacom Holdings Limited.
(8) Wholly-owned subsidiary of Global Invacom Limited.
(9) Wholly-owned subsidiary of Invacom Holdings Limited.
(10) The financial statements were audited in accordance with IFRS for consolidation purposes by Moore Stephens LLP, Singapore.
(11) It was deregistered at the date of these financial statements.

13 Goodwill

		2011 US$'000	2012 US$'000	2013 US$'000
Cost				
At beginning of the financial year		—	—	3,260
Reverse acquisition	(a)	—	16,090	—
Acquisition of subsidiaries	(b)	—	3,260	—
Currency realignment		—	712	—
Less: Impairment loss	(c)	—	(16,802)	—
At the end of the financial year		—	3,260	3,260

(a) Reverse Acquisition

The goodwill arose from the reverse acquisition in the year ended 31 December 2012 as described in Note 2. On reverse acquisition, the goodwill represents the excess of the fair value of the consideration effectively given by GIHL to acquire the Company and the aggregate of the fair value of the identifiable net assets of the Company.

The identifiable assets and liabilities arising from the reverse acquisition were as follows:

	Fair value recognised on reverse acquisition US$'000	Acquiree's carrying amount US$'000
Property, plant and equipment (Note 11)	2,478	2,478
Intangible assets (Note 14)	67	67
Inventories	10,221	10,221
Trade and other receivables	13,392	13,392
Cash and cash equivalents	18,730	18,730
	44,888	44,888
Trade and other payables	(11,380)	(11,380)
Provision for income tax	(598)	(598)
	(11,978)	(11,978)
Total identifiable net assets at fair value	32,910	32,910

	US$'000
Consideration effectively transferred for the reverse acquisition:	
Share swap consideration on 122,515,189 ordinary shares at an issue price of S$0.3087	30,500
Cash consideration of US$18.5 million, calculated on the basis of the agreed exchange rate of US$1.00 = S$1.2345 (Note 22)	18,500
Total consideration	49,000

Goodwill arising from reverse acquisition	2012 US$'000
Fair value of net identifiable assets	32,910
Goodwill on acquisition	16,090
Cost of business combination	49,000

	2012
	US$'000
Purchase consideration for reverse acquisition	(49,000)
Add: Share consideration received by GIHL	30,500
Add: Cash consideration to be received by GIHL	18,500
	—

Impact of reverse acquisition on the cash flows of the Group

The effect of the reverse acquisition on cash flows is as follows:

	2012
	US$'000
Cash and cash equivalents of the Company upon reverse acquisition	18,730
Net cash inflow on reverse acquisition	18,730

(b) Acquisition of Subsidiaries

(i) Acquisition of Global Invacom Manufacturing (UK) Limited ("Raven")

On 26 November 2013, the Company completed the acquisition of the entire equity interest in Raven (formerly known as Raven Manufacturing Limited), a company registered in England and Wales with the principal activities of the manufacture and supply of antennas and related products for the satellite industry and manufacture of metal pressings and sub assemblies for the UK automotive industry. The acquisition has been accounted for using the acquisition method of accounting. The fair values of assets and liabilities arising from the acquisition of Raven have been determined to be approximately its carrying amount as at acquisition date. The consolidated financial information includes the results of Raven from the acquisition date.

The identifiable assets and liabilities arising from the acquisition were as follows:

	Fair value recognised on acquisition	Acquiree's carrying amount
	US$'000	US$'000
Property, plant and equipment (Note 11)	3,311	3,311
Inventories	1,139	1,139
Trade and other receivables	1,080	1,080
	5,530	5,530
Trade and other payables	(2,533)	(2,533)
Invoice financing facility	(584)	(584)
	(3,117)	(3,117)
Fair value of net assets	2,413	2,413

The total cost of business combination was £1,492,000 (approximately US$2,413,000). The consideration was fully satisfied by way of cash, with the understanding that £148,367 be deposited in an escrow account until its release in accordance with the Sale and Purchase agreement entered into on 26 November 2013. The consideration was arrived at after arm's length negotiations, on a 'willing buyer willing seller' basis, based on the estimated net asset value of Raven as at the completion date.

Acquisition costs of US$485,000 have been excluded from the consideration above and recognised as an expense in the current year within the line "administrative expenses" in the statement of comprehensive income.

Goodwill arising from acquisition

	2013 US$'000
Fair value of net identifiable assets	2,413
Goodwill on acquisition	—
Cost of business combination	2,413

Impact of acquisition on the cash flows of the Group

The effect of the acquisition of the subsidiary on cash flows is as follows:

	2013 US$'000
Purchase consideration for acquisition of subsidiary	(2,413)
Add: Repayment of invoice financing facility	687
Invoice financing facility of the subsidiary acquired	(584)
Net cash outflow on acquisition	(2,310)

Impact of acquisition on the results of the Group

From the date of acquisition, Raven contributed total revenue of approximately US$1,156,000 and loss for the year of approximately US$336,000 to the Group's result. If the acquisition had occurred on 1 January 2013, the consolidated revenue and net profit for the current financial year would have been US$127,362,000 and US$7,098,000 respectively.

(ii) Acquisition of The Waveguide Solution Limited ("TWS")

On 3 August 2012, the Company completed the acquisition of the entire equity interest in TWS, a company registered in England and Wales, with principal activities in the design and manufacture of microwave waveguide components and applications for the military, medical, aerospace and marine industries. The acquisition has been accounted for using the acquisition method of accounting. The fair values of assets and liabilities arising from the acquisition of TWS have been determined to be approximately its carrying amount as at acquisition date. The consolidated financial information includes the results of TWS from the acquisition date.

The identifiable assets and liabilities arising from the acquisition were as follows:

	Fair value recognised on acquisition US$'000	**Acquiree's carrying amount US$'000**
Property, plant and equipment (Note 11)	910	910
Inventories	417	417
Trade and other receivables	1,356	1,356
Cash & cash equivalents	2,466	2,466
	5,149	5,149
Trade and other payables	(454)	(454)
Deferred tax liabilities (Note 23)	(76)	(76)
Provision for income tax	(458)	(458)
	(988)	(988)
Fair value of net assets	4,161	4,161

The total cost of business combination was £4,750,000 (approximately US$7,421,000). The consideration is to be fully satisfied by way of £3,515,000 payable in cash, with the understanding that £475,000 be deposited in an escrow account until its release in accordance with the Sale and Purchase agreement entered into on 3 August 2012, and £1,235,000 (approximately US$1,995,000) payable in the form of 7,805,264 new ordinary shares (the "Consideration Shares") in the Company. The consideration was arrived at after arm's length negotiations, on a 'willing buyer willing seller' basis, based on an assessment of historical and projected earnings, earnings multiples and cash flows. The Company has allotted and issued the Consideration Shares to the vendors on 1 March 2013. The vendors have undertaken that they will not for a period of twelve (12) months from the allotment and issuance of the Consideration Shares to them, dispose of or create any encumbrance over any of the Consideration Shares except with the prior consent of the Company.

Goodwill arising from acquisition

	2012 US$'000
Fair value of net identifiable assets	4,161
Goodwill on acquisition	3,260
Cost of business combination	7,421

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the assets and activities of TWS with those of the Group. The goodwill is not considered deductible for tax purposes.

Impact of acquisition on the cash flows of the Group

The effect of the acquisition of the subsidiary on cash flows is as follows:

	2012 US$'000
Purchase consideration for acquisition of subsidiary	(7,421)
Add: Share consideration received by vendors	1,995
Cash and cash equivalent of the subsidiary acquired	2,466
Net cash outflow on acquisition	(2,960)

Impact of acquisition on the results of the Group

From the date of acquisition, TWS contributed total revenue of approximately US$2,403,000 and profit for the year of approximately US$329,000 to the Group's results for the year ended 31 December 2012. If the acquisition had occurred on 1 January 2012, the consolidated revenue and net loss for the previous year would have been US$78,403,000 and US$16,825,000 respectively.

(c) Impairment Test of Goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as follows:

	2011 US$'000	2012 US$'000	2013 US$'000
Satellite Communications	—	3,260	3,260

The Group assessed the recoverable amount of goodwill based on value in use calculations which uses cash flow projections based on financial forecast provided by management covering a five-year period. The growth rate used is based on historical growth and past experience and does not exceed the currently estimated long-term growth rate of the industries in which the aforesaid entities operate. The pre-tax discount rates used, which management estimates to reflect the risks specific to the CGU's cash flow is 7.10% (2012: 6.65%, 2011: Nil). Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

Based on management's review of the recoverable amounts of the CGUs, no impairment on goodwill was required during the financial year ended 31 December 2013, an impairment loss of US$16,802,000 was recognised for goodwill arising from the reverse acquisition due to the deteriorating business of the segments during the year ended 31 December 2012 (2011: Nil).

14 Intangible Assets

	Trading name US$'000	Intellectual property rights US$'000	Capitalised development costs US$'000	Club Membership US$'000	Total US$'000
2011					
Cost					
Balance as at 1 January 2011	—	—	—	—	—
Additions	—	—	629	—	629
Acquired through business combination	16	249	—	—	265
Balance as at 31 December 2011	16	249	629	—	894
Amortisation					
Balance as at 1 January 2011	—	—	—	—	—
Amortisation charge	—	4	—	—	4
Balance as at 31 December 2011	—	4	—	—	4
Net book value					
Balance as at 31 December 2011	16	245	629	—	890
2012					
Cost					
Balance as at 1 January 2012	16	249	629	—	894
Additions	—	—	1,235	—	1,235
Acquired through reverse acquisition (Note 13)	—	—	—	67	67
Balance as at 31 December 2012	16	249	1,864	67	2,196
Amortisation					
Balance as at 1 January 2012	—	4	—	—	4
Amortisation charge	—	6	—	—	6
Balance as at 31 December 2012	—	10	—	—	10
Net book value					
Balance as at 31 December 2012	16	239	1,864	67	2,186
2013					
Cost					
Balance as at 1 January 2013	16	249	1,864	67	2,196
Additions	—	—	962	—	962
Currency realignment	—	—	—	(2)	(2)
Balance as at 31 December 2013	16	249	2,826	65	3,156
Amortisation					
Balance as at 1 January 2013	—	10	—	—	10
Amortisation charge	—	6	—	—	6
Impairment	16	—	—	—	16
Balance as at 31 December 2013	16	16	—	—	32
Net book value					
Balance as at 31 December 2013	—	233	2,826	65	3,124

The Group has additional capitalised development costs amounting to US$962,000 (2012: US$1,235,000, 2011: US$629,000), including employee costs of US$383,000 (2012: US$507,000, 2011: US$353,000) during the financial year ended 31 December 2013, which relate to the development of wireless transmission of high definition (HD) TV.

15 Available-for-Sale Financial Assets

	2011 US$'000	2012 US$'000	2013 US$'000
Unlisted equity securities, at cost	397	397	397
Less: Allowance for impairment losses	(389)	(389)	(389)
	8	8	8
Analysis of allowance for impairment:			
Balance as at the end of the year	389	389	389

The above unlisted equity securities are carried at cost less impairment.

(a) The Group acquired a 16% interest in the issued share capital of Provision Communications, a company incorporated in England and Wales, with a total investment amounting to £250,000, equivalent to US$389,000. Provision Communications develops AXAR technology delivering wireless, end-to-end streaming of HDTV throughout every room in a home, or other buildings. In April 2011, Provision Communications went into liquidation and the carrying amount of the investment has now been fully impaired during the year ended 31 December 2011.

(b) The Group acquired a 49% interest in the issued share capital of Fibre TV to Home Ltd ("FTTH"), a company incorporated in England and Wales, for US$7,955 in 2009. Fibre TV provided end to end TV Services, Digital Terrestrial TV and Digital Audio Broadcast Radio Digital TV and radio solutions for housing developments, apartment blocks and offices.

    The above investment, which is an investment in associate, has not been stated on an equity basis nor is the financial information of FTTH being disclosed as the directors considered the investment as not material to the Group.

16 Inventories

	2011 US$'000	2012 US$'000	2013 US$'000
Finished products	9,429	9,358	14,253
Work-in-progress	—	2,139	2,755
Raw materials	—	7,484	8,825
	9,429	18,981	25,833
Analysis of allowance for inventory obsolescence:			
Balance at the beginning of the year	894	799	2,296
Acquired through reverse acquisition	—	2,340	—
Currency realignment	—	45	64
Allowance for stock obsolescence	—	33	7
Written off during the year	—	(751)	—
Write-back for the year	(95)	(170)	(308)
Balance at the end of the year	799	2,296	2,059

The inventories written off by the Group in prior year was due to slow moving and obsolete inventories.

The write-back of allowance for inventory obsolescence amounting to approximately US$308,000 (2012: US$170,000, 2011: US$95,000), was a result of a change in the estimate of the future demand of the Group's products based on a review carried out by the Board of Directors as at the year end.

17 Trade Receivables

	2011 US$'000	2012 US$'000	2013 US$'000
Trade receivables	6,794	22,315	22,975
Less: Impairment of trade receivables (Note 29(b)(ii))	—	(3,819)	(3,819)
	6,794	18,496	19,156

18 Other Receivables and Prepayments

	2011 US$'000	2012 US$'000	2013 US$'000
Other receivables			
Deposits	—	332	384
Advanced payments	—	130	505
GST receivables	—	1,354	650
Other debtors	215	304	325
Amount due from associate	77	—	—
Amount due from related parties	362	—	—
	654	2,120	1,864
Prepaid expenses	151	676	635
	805	2,796	2,499

19 Cash and Cash Equivalents

	2011 US$'000	2012 US$'000	2013 US$'000
Cash and bank balances	1,880	17,902	13,752
Fixed deposits	—	2,933	910
	1,880	20,835	14,662

The fixed deposits mature on varying short-term periods and earned interest ranging from 0.05% to 0.80% per annum during the financial year ended 31 December 2013 (2012: 0.05% to 6.30% per annum, 2011: 0.05% to 0.15% per annum).

For the purpose of presentation in the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	2011 US$'000	2012 US$'000	2013 US$'000
Cash and bank balances	1,880	17,902	13,752
Fixed deposits	—	2,933	910
	1,880	20,835	14,662
Less: Restricted cash	(25)	(2,933)	(910)
Cash and cash equivalents per the consolidated statement of cash flows	1,855	17,902	13,752

Restricted cash includes fixed deposits amounted to US$900,000 (2012: US$2,900,000, 2011: US$25,000) pledged with the banks for facilities and loans granted to the Group (Note 24).

20 Share Capital

	Number of ordinary shares '000	Share capital US$'000
Issued and fully paid		
Balance at 1 January 2011	263,771	3,982
Issuance of shares	—	3
Balance at 31 December 2011	263,771	3,985
Balance after share consolidation (Note 2(ii))	65,943	3,985
Issuance of shares pursuant to Share Swap Consideration (Note 2(iii))	122,515	30,501
Issuance of compliance shares (Note 2(iv))	41,539	10,468
Expenses on issuance of shares	—	(780)
Balance at 31 December 2012	229,997	44,174
Issuance of shares	7,805	1,942
Purchase of treasury shares	(6,000)	(955)
Balance at 31 December 2013	231,802	45,161

* The equity structure (i.e. the number of shares issued) at the date of the statement of financial position represents that of the Company, being the legal parent. However, for the purpose of reverse acquisition accounting, the amount of share capital of the Group as at 1 January 2012 represents that of GIHL Group, the legal subsidiary, immediately before the reverse acquisition as referred to in Note 2.

Ordinary shares of the Company do not have any par value.

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 restrictions.

Treasury Shares

The Group held 6,000,000 treasury shares at 31 December 2013 (2012: Nil, 2011: Nil) in the Company. The treasury shares held at the years ending 31 December 2012 and 2011 relate to GIHL.

The shareholders, by an ordinary resolution passed at an Extraordinary General Meeting held on 17 September 2013 approved the Company's plan to repurchase its own ordinary shares for the adoption of the Global Invacom Share Option Scheme 2013.

During the financial year ended 31 December 2013, the Company repurchased 6,000,000 of its issued ordinary shares, from the open market at an average price of S$0.20 per share. The total consideration paid for the repurchase, including transaction costs, was S$1.2 million (equivalent to US$955,000). The shares repurchased are being held as treasury shares in accordance with Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore.

21 Reserves

	2011 US$'000	2012 US$'000	2013 US$'000
Merger reserve	(10,150)	(10,150)	(10,150)
Capital redemption reserves	6	6	6
Share options reserves (Note 25(b))	98	—	43
Capital reserve	—	555	555
Foreign currency translation reserve	48	710	455
Retained profits	18,616	684	8,722
	8,618	(8,195)	(369)

Movements in reserves for the Group are set out in the consolidated statement of changes in equity.

Merger reserve

GIHL was incorporated on 7 November 2008 and on 23 February 2009 a management buyout took place of Global Invacom Limited ("GIL") whereby the entire issued share capital in GIL was transferred to GIHL. The consideration for the Group's restructuring involving the transfer of shares amounting to US$11,748,199 and was settled as follows:

- A share for share exchange with the shareholders of Global Invacom Limited whereby Global Invacom Holdings Limited issued 354,542 ordinary £0.10 shares, with a corresponding value of US$3,802,527; and
- A payment of cash and issue of loan notes to various shareholders in Global Invacom Limited amounting to US$7,945,672.

Accordingly, the reorganisation is considered to be outside the scope of IFRS 3 and the Group has applied the pooling of interests method to prepare the consolidated financial information. Assets, liabilities, income and expenditure have been brought together on a line by line basis.

Other share related transactions with entities in the Group prior to the restructuring taking place have also been reflected in the merger reserve.

Capital reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Group in the PRC are required to set aside a statutory reserve fund by way of appropriation of 10% of their profit after tax as reported in the PRC statutory financial information each year.

The statutory reserve fund may be used to offset any accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the relevant PRC authorities. The appropriation is required until the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital. The statutory reserve is not available for dividend distribution to shareholders.

Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial information of group entities whose functional currency is different from that of the Group's presentation currency.

22 Other Payables

	2011 US$'000	2012 US$'000	2013 US$'000
Accrued operating expenses	2,292	2,270	3,755
Customers advances received	—	226	206
VAT payable	—	78	299
Other creditors	187	1,753	1,589
Cash consideration payable (Note 13(a))	—	18,690	10,735
Share consideration payable (Note 13(b)(ii))	—	1,995	—
	2,478	25,012	16,584
Represented by			
Non-current	—	11,113	5,367
Current	2,478	13,899	11,217
	2,478	25,012	16,584
Cash consideration payable			
Non-current	—	11,113	5,367
Current	—	7,577	5,368
	—	18,690	10,735

The cash consideration shall be payable in the following manner:

(i) US$3.0 million (equivalent to S$3.7 million) shall be transferred into the Vendors' bank account no earlier than the 6-month anniversary of completion of the sale and purchase of the Sale Shares ("Completion") and no later than the first anniversary of Completion;

(ii) US$4.5 million (equivalent to S$5.5 million) shall be transferred into the Vendors' bank account on the first anniversary of Completion;

(iii) US$5.5 million (equivalent to S$6.8 million) shall be transferred into the Vendors' bank account on the second anniversary of Completion;

(iv) US$5.5 million (equivalent to S$6.8 million) shall be transferred into the Vendors' bank account on the third anniversary of Completion;

for payment to the Vendors in direct proportion to each Vendor's percentage shareholding in the capital of the Company at Completion.

As at 31 December 2013, the fair value of the non-current portion of the cash consideration payable approximates its carrying amount.

23 Deferred Taxation

	2011 US$'000	2012 US$'000	2013 US$'000
Accelerated capital allowances:			
Balance as at the beginning of the year	159	261	339
Acquired through reverse acquisition (Note 13)	—	76	—
Charge for the year	102	—	266
Currency realignment	—	2	16
Balance as at the end of the year	261	339	621

24 Borrowings

	2011 US$'000	2012 US$'000	2013 US$'000
Bank loans – current	—	615	128

The secured loans outstanding as at 31 December 2013 were secured over the subsidiaries' bank deposit of US$900,000 and corporate guarantees provided by the Company. The tenure of this short term loans is 1 – 3 months. Interest is charged at 3.65% to 3.96% (2012: 2.47% to 3.70%, 2011: Nil) per annum during the financial year.

The loans were subsequently repaid in full in February 2014.

25 Employee Benefits

(a) Staff Costs

	2011 US$'000	2012 US$'000	2013 US$'000
Salaries, bonuses and related costs (including executive directors)	7,291	12,803	21,687
Defined contribution plans	260	1,593	3,121
Staff welfare benefits	25	21	43
	7,576	14,417	24,851

(b) Employee Share Options

Pursuant to a resolution passed in the Extraordinary General Meeting held on 17 September 2013, the Global Invacom Share Option Scheme 2013 (the "2013 Scheme") was adopted whereby it may grant options to executive and non-executive directors (including independent directors) and employees of the Group who have contributed significantly to the success and development of the Group to subscribe for shares of the Company. The 2013 Scheme replaced the Global Invacom Group Employee Share Option

Scheme of the Group which was adopted on 15 June 2012 (the "2012 Scheme") and the Enterprise Management Incentive Share Option Scheme (the "EMI Scheme"). An expense of US$43,000 (2012: US$21,000, 2011: US$25,000) has been included in the administrative expenses for the year ended 31 December 2013 with a corresponding credit to the share option reserve (Note 21), and where it relates to key management, has been included in their remuneration disclosed in Note 25(a) above.

Details of the schemes are as follows:

(i) 2013 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the 2013 Scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 26 August 2013. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share options were granted to replace the 2012 Scheme options, with the S$1.00 consideration waived:

1.1.2013	Granted	Exercised/ Lapsed	31.12.2013	Exercise price	Exercise period
—	2,007,000	(65,000)	1,942,000	S$0.17	7 July 2016 to 6 July 2023
—	2,007,000	(65,000)	1,942,000	S$0.17	7 July 2017 to 6 July 2023
—	230,000	—	230,000	S$0.20	21 August 2016 to 20 August 2023
—	230,000	—	230,000	S$0.20	21 August 2017 to 20 August 2023
—	4,474,000	(130,000)	4,344,000		

The weighted average fair value of the share options granted during the financial year is S$0.088. Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the competitors' historical share price volatility. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date when the share price was 50% above the level as at the date of grant.

	Options granted during the year ended 31 December 2013	
Grant date	7 July 2013	21 August 2013
Grant date share price (S$)	0.161	0.191
Exercise price (S$)	0.170	0.200
Expected volatility	90%	90%
Option life (years)	6.85	6.86
Expected dividend yield	2.5%	2.5%
Risk-free interest rate	2.43%	2.29%

The following table lists the movements in the weighted average values as follows:

	2013 Number	Weighted average exercise price
Replacement options granted	4,474,000	S$0.17
Exercised	—	—
Lapsed	(130,000)	S$0.17
Outstanding at 31 December	4,344,000	S$0.17
Weighted average remaining contractual life in years	9.5 years	

The above options granted under the 2012 Scheme continue to be effective and exercisable according to the terms and conditions of the 2013 Scheme. The options under the 2012 Scheme were replaced by the same number of options under the 2013 Scheme and were therefore outstanding at the beginning of 2013. No share options were granted under the 2013 Scheme during the financial year ended 31 December 2013.

(ii) 2012 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under this scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 16 May 2012. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The 2012 Scheme was terminated on 17 September 2013 and replaced by the 2013 Scheme.

(iii) EMI Scheme

GIHL adopted the rules of a qualifying the EMI Scheme with the sanction of shareholders for directors and other employees. Where agreement has been sought the options outstanding will be satisfied by Vistra Corporate Services Ltd as Trustee of the Global Invacom Limited Employee Benefit Trust.

Options over 24,825 ordinary shares of £0.10 each were exercised during the year ended 31 December 2012 which settled through the Global Invacom Limited Employee Benefit Trust. The weighted average share price (at the date of exercise) of options exercised during the period was £7.56. Accelerated vesting of options over 4,600 ordinary shares occurred up to fourteen days prior to the sale of GIHL which was completed on 5 July 2012. As a result of the sale conditions, all option holders exercised their right over the full amount of ordinary shares under option. The fair value of share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. No share options were granted during 2012.

At 31 December 2012, no rights to options over ordinary shares of £0.10 each of the Company were outstanding. This was as a result of the reverse acquisition that took place on 5 July 2012 (Note 13). According to the terms of the EMI Scheme and the individual option agreements, the remaining unvested options vested automatically at that time.

(c) Performance Share Plan

The Global Invacom Performance Share Plan 2013 ("the Global Invacom PSP") was approved by the members of the Company at an Extraordinary General Meeting held on 17 September 2013. The primary objectives of the Global Invacom PSP are to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff.

The Global Invacom PSP is administered by the Remuneration Committee ("RC") and shall continue to be in force at the discretion of the RC, subject to a maximum of 10 years commencing from 17 September 2013. Any awards of shares granted pursuant to the rules of the Global Invacom PSP ("Award") made to participants prior to such expiry or termination will continue to remain valid.

A participants' Award under the Global Invacom PSP will be determined at the sole discretion of the RC. In considering an Award to be granted to a participant, the RC may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Global Invacom PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the Award. No minimum vesting periods are prescribed under the Global Invacom PSP, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis.

Since the commencement of the Global Invacom PSP up to the end of the financial year, no share Awards have been granted.

26 Related Party Transactions

Parties are considered to be related if an individual or a close member of that individual's family has the ability, directly or indirectly, to control the Group entities, exercise significant influence over the Group entities in making financial and operating decisions, or is a member of the key management personnel of the Group entities. Parties are also considered to be related if they are subject to common control or common significant influence and a person who has significant influence over the entity or is a member of the key management personnel of the entity. Related parties may be individuals or corporate entities.

The following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

Compensation of directors and key management

	2011	**2012**	**2013**
	US$'000	**US$'000**	**US$'000**
Salaries, bonuses and related costs	2,468	1,374	2,194
Directors' fees	—	113	224
Defined contribution plans	91	115	384
Share-based payments	14	—	25
	2,573	1,602	2,827
Comprise amounts paid/payable to:			
– Directors of the Company	973	1,071	1,211
– Other key management	1,600	531	1,616
	2,573	1,602	2,827

27 Commitments

Operating lease commitment

As at 31 December 2013, the Group had entered into several operating lease commitments for factory buildings and office premises. These leases have an average lease life of between 1 and 5 (2012: 1 and 5, 2011: 1 and 5) years with no restrictions placed upon the Group by entering into these leases. The leases have varying terms, escalation clauses and renewal rights.

At the end of the financial year, the future minimum rentals payable under non-cancellable operating leases are as follows:

	2011 US$'000	2012 US$'000	2013 US$'000
Future minimum lease payments:			
Within 1 year	148	1,463	1,588
Between 2 to 5 years	337	2,743	1,605
After 5 years	28	1,288	410

28 Segment Information

The business of the Group is organised into the following product segments:

- Satellite Communications ("Sat Comms")
- Contract Manufacturing ("CM")

For management purposes, the Group is organised into business segments based on their products as the Group's risks and rates of return are affected predominantly by differences in the products produced. Each product segment represents a strategic business unit and management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of the reportable segments are the same as the Group's accounting policies discussed in Note 3. Segment results represent the profit earned by each segment without allocation of finance income/costs and taxation. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprised mainly corporate assets and liabilities, borrowings and income tax. Segment revenue includes transfers between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. The transfers are eliminated on consolidation. No operating segments have been aggregated to form the following reportable operating segments.

(a) Reportable Operating Segments

	Sat Comms US$'000	CM US$'000	Group US$'000
2011			
Revenue	62,876	—	62,876
Operating profit	5,063	—	5,063
Finance income			1
Finance costs			(21)
Income tax expense			(952)
Profit for the year			4,091
Amortisation of intangible assets	4	—	4
Depreciation of property, plant and equipment	379	—	379
Addition to property, plant and equipment	1,637	—	1,637
Addition to intangible assets	894	—	894
Write-back of inventory obsolescence	(95)	—	(95)
Assets and liabilities			
Segment assets	22,776	—	22,776
Total assets			22,776
Segment liabilities	9,601	—	9,601
Unallocated liabilities			
– Deferred taxation			261
– Provision for income tax			311
Total liabilities			10,173

	Sat Comms US$'000	CM US$'000	Group US$'000
2012			
Revenue	62,014	12,683	74,697
Operating loss	(2,072)	(16,562)	(18,634)
Finance income			20
Finance costs			(51)
Income tax credit			918
Loss for the year			(17,747)
Impairment of goodwill arising from reverse acquisition	—	(16,802)	(16,802)
Amortisation of intangible assets	6	—	6
Depreciation of property, plant and equipment	928	146	1,074
Addition to property, plant and equipment	1,133	83	1,216
Addition to intangible assets	1,235	—	1,235
Write-back of inventory obsolescence	(62)	(108)	(170)
Allowance for inventory obsolescence	33	—	33
Assets and liabilities			
Segment assets	46,163	12,895	59,058
Unallocated assets			
– Non-current assets			113
– Other receivables			251
– Tax receivable			632
– Cash and cash equivalents			13,645
Total assets			73,699
Segment liabilities	9,932	5,737	15,669
Unallocated liabilities			
– Other payables			21,097
– Borrowings			615
– Deferred taxation			339
Total liabilities			37,720

	Sat Comms US$'000	CM US$'000	Group US$'000
2013			
Revenue	92,878	22,872	115,750
Operating profit	8,030	1,211	9,241
Finance income			40
Finance costs			(7)
Income tax expense			(1,236)
Profit for the year			8,038
Amortisation of intangible assets	6	—	6
Impairment of intangible assets	16	—	16
Depreciation of property, plant and equipment	1,205	230	1,435
Addition to property, plant and equipment	1,593	810	2,403
Addition to intangible assets	962	—	962
Write-back of inventory obsolescence	(14)	(294)	(308)
Allowance for inventory obsolescence	7	—	7
Assets and liabilities			
Segment assets	62,393	13,105	75,498
Unallocated assets			
– Non-current assets			79
– Other receivables			227
– Cash and cash equivalents			3,538
Total assets			79,342
Segment liabilities	16,415	5,411	21,826
Unallocated liabilities			
– Other payables			10,962
– Borrowings			128
– Provision for income tax			1,013
– Deferred taxation			621
Total liabilities			34,550

(b) **Geographical Information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	America US$'000	Europe US$'000	Asia US$'000	Rest of the World US$'000	Group US$'000
2011					
Total revenue from external customers	47,502	13,423	—	1,951	62,876
Non-current assets	—	3,868	—	—	3,868
2012					
Total revenue from external customers	46,548	19,104	5,404	3,641	74,697
Non-current assets	—	9,374	2,585	—	11,959
2013					
Total revenue from external customers	57,991	26,559	26,240	4,960	115,750
Non-current assets	—	13,554	3,638	—	17,192

(c) **Information about Major Customers**

Included in revenue arising from the Sat Comms and CM segments are sales of approximately US$82,378,000 (2012: US$51,024,000, 2011: US$53,071,000) which are sales to the Group's 5 (2012: 5, 2011: 5) largest customers (of which the largest single customer accounts for 42% (2012: 50%, 2011: 70%) of total revenue).

29 Financial Risk Management

The Group's activities expose it to a variety of market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

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

(a) **Market Risk**

(i) Currency risk

Certain of the Group's transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Renminbi ("RMB"), Hong Kong Dollar ("HKD"), Sterling and Malaysia Ringgit ("MYR"). As a result, the Group is exposed to movements in foreign currency exchange rates. The Group does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions.

The Group is also exposed to currency translation risk arising from its net investments in foreign subsidiaries.

The Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000	SGD US$'000	RMB US$'000	HKD US$'000	Sterling US$'000	MYR US$'000	Others US$'000	Total US$'000
2011								
Financial assets								
Cash and cash equivalents	717	—	—	—	775	—	388	1,880
Trade receivables	5,297	—	—	—	1,388	—	109	6,794
Other receivables	362	—	—	—	292	—	—	654
	6,376	—	—	—	2,455	—	497	9,328
Financial liabilities								
Trade and other payables	(7,819)	—	—	—	(1,693)	—	(89)	(9,601)
Borrowings	—	—	—	—	—	—	—	—
	(7,819)	—	—	—	(1,693)	—	(89)	(9,601)
Net financial assets/(liabilities)	(1,442)	—	—	—	762	—	408	(272)
Less:								
Net financial assets/ (liabilities) denominated in the Group's entities functional currency	1,442	—	—	—	—	—	—	1,442
Currency exposure	—	—	—	—	762	—	408	1,170
2012								
Financial assets								
Cash and cash equivalents	6,975	7,510	4,197	53	2,026	31	43	20,835
Trade receivables	13,572	—	57	—	3,226	1,332	309	18,496
Other receivables	130	73	183	—	243	7	—	636
	20,677	7,583	4,437	53	5,495	1,370	352	39,967
Financial liabilities								
Trade and other payables	(9,407)	(19,084)	(3,563)	(143)	(4,043)	(218)	(4)	(36,462)
Borrowings	(615)	—	—	—	—	—	—	(615)
	(10,022)	(19,084)	(3,563)	(143)	(4,043)	(218)	(4)	(37,077)
Net financial assets/(liabilities)	10,655	(11,501)	874	(90)	1,452	1,152	348	2,890
Less:								
Net financial assets/ (liabilities) denominated in the Group's entities functional currency	(9,640)	13,368	(3,632)	—	—	(1,152)	—	(1,056)
Currency exposure	1,015	1,867	(2,758)	(90)	1,452	—	348	1,834
2013								
Financial assets								
Cash and cash equivalents	7,929	568	462	43	1,312	4,141	207	14,662
Trade receivables	13,636	—	15	—	3,953	1,539	13	19,156
Other receivables	164	58	213	—	227	41	6	709
	21,729	626	690	43	5,492	5,721	226	34,527
Financial liabilities								
Trade and other payables	(12,651)	(10,970)	(4,390)	(114)	(3,286)	(864)	(8)	(32,283)
Borrowings	(128)	—	—	—	—	—	—	(128)
	(12,779)	(10,970)	(4,390)	(114)	(3,286)	(864)	(8)	(32,411)
Net financial assets/(liabilities)	8,950	(10,344)	(3,700)	(71)	2,206	4,857	218	2,116
Less:								
Net financial assets/ (liabilities) denominated in the Group's entities functional currency	(8,860)	10,486	—	—	—	(4,857)	—	(3,231)
Currency exposure	90	142	(3,700)	(71)	2,206	—	218	(1,115)

If the SGD, RMB, HKD, Sterling and MYR changed against the USD by 5% with all other variables, including tax rates, being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	Increase/(Decrease)		
	Profit after tax 2011 US$'000	**Loss after tax 2012 US$'000**	**Profit after tax 2013 US$'000**
SGD against USD			
– strengthened	—	(93)	7
– weakened	—	93	(7)
RMB against USD			
– strengthened	—	138	(185)
– weakened	—	(138)	185
HKD against USD			
– strengthened	—	5	(4)
– weakened	—	(5)	4
Sterling against USD			
– strengthened	38	(73)	110
– weakened	(38)	73	(110)

(ii) 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 its borrowings. Information relating to the Group's interest rate exposure is disclosed in Note 24 on the Group's borrowings.

The Group usually obtains additional financing through bank borrowings and its policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks for better yield returns than cash at banks and/or to satisfy conditions for banking facilities granted to the Group.

The sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) after tax has not been disclosed as the Group's exposure to changes in market interest rates is not significant.

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers with an appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on an ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level and at the Group level by management. Where appropriate, the Group obtains advance payments from its major customers.

The Group has a significant concentration of credit risk from its trade receivables as approximately 66.9% (2012: 67.8%, 2011: 98.7%) of the trade receivables outstanding as at the end of the financial year are owing from not more than 5 (2012: not more than 5, 2011: not more than 5) customers.

As the Group does not hold any material collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2011 US$'000	2012 US$'000	2013 US$'000
By Geographical Areas			
America	4,705	8,130	7,609
Europe	1,696	7,063	6,108
Asia	—	3,242	3,622
Rest of the world	393	61	1,817
	6,794	18,496	19,156

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables of the Group, that are neither past due nor impaired are, substantially companies with a good collection track record with the Group. Trade receivables of the Group that are neither past due nor impaired is as follow:

	2011 US$'000	2012 US$'000	2013 US$'000
Trade receivables:			
– Not past due and not impaired	5,917	9,563	12,929

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of the Group's trade receivables past due as at the date of the statement of financial position but not impaired is as follows:

	2011 US$'000	2012 US$'000	2013 US$'000
Trade receivables past due:			
– 0 to 60 days	877	8,267	5,414
– Over 61 days	—	666	813
	877	8,933	6,227

The Group's trade receivables that are impaired at the date of the statement of financial position and the movement of the allowance account used to record the impairment is as follows:

	2011 US$'000	2012 US$'000	2013 US$'000
Trade receivables	6,794	22,315	22,975
Less: Allowance for impairment	—	(3,819)	(3,819)
	6,794	18,496	19,156
Balance at the beginning and end of the year (Note 17)	—	3,819	3,819

Trade receivables that are individually determined to be impaired at the reporting date relate to one debtor that has filed for bankruptcy in a prior financial year. This receivable is not secured by any collateral or credit enhancements.

(c) 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 financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In the management of its liquidity risk, the

Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	Between 2 to 5 years US$'000
2011				
Trade and other payables	9,601	9,601	9,601	—
	9,601	9,601	9,601	—
2012				
Trade and other payables	36,462	36,462	25,349	11,113
Borrowings	615	615	615	—
	37,077	37,077	25,964	11,113
2013				
Trade and other payables	32,283	32,283	26,916	5,367
Borrowings	128	128	128	—
	32,411	32,411	27,044	5,367

(d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Group manages its capital structure, and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2013, 2012 and 2011.

As disclosed in Note 21, the Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the relevant subsidiaries for the financial years ended 31 December 2013, 2012 and 2011.

The Group monitors capital using a net-debt-to-equity ratio, which is net debt divided by total equity. In general, the Group's policy is to keep the ratio within 50%. The Group includes within net debt, borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company.

	2011 US$'000	2012 US$'000	2013 US$'000
Borrowings	—	615	128
Trade and other payables	9,601	36,766	32,788
Less: Cash and cash equivalents	(1,880)	(20,835)	(14,662)
Net debt	7,721	16,546	18,254
Equity attributable to the equity holders of the Company	12,603	35,979	44,792
Net-debt-to-equity ratio	61.3%	46.0%	40.8%

30 Financial Instruments

(a) Fair Value Financial Instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from discounted cash flow models and option pricing models as appropriate.

The following table presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair Value Hierarchy

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
2011				
Available-for-sale financial assets	—	—	8	8
2012				
Available-for-sale financial assets	—	—	8	8
2013				
Available-for-sale financial assets	—	—	8	8

The Group's available-for-sale financial assets which are carried at cost are classified as level 3 of fair value hierarchy as fair value cannot be measured reliably since these investments are not quoted on any market and do not have a comparable industry peer that is listed. The Group does not intend to dispose of these investments in the foreseeable future.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, borrowings, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

The carrying amounts of non-current portion of the loans to subsidiaries and non-current portion of other payables (Note 22) to the financial information are reasonable approximation of their fair values.

31 Dividends

For the financial year ended 31 December 2013, the directors of the Company propose a final tax-exempt (one-tier) dividend of 0.50 Singapore cent per share to the Company's shareholders (2012: Nil, 2011: Nil).

32 Contingent Liabilities

Alleged Payroll Tax Avoidance in England and Wales

The Waveguide Solution Limited ("TWS") has an ongoing issue relating to employment taxes which arose via a scheme in place prior to the acquisition by the Group. Under the terms of the sale and purchase agreement between the previous owners of TWS and Global Invacom Group Limited, any potential liabilities that arise relating to employment taxes will be reimbursed by the previous owners of TWS. The directors are currently unable to quantify the potential tax liability for the Group in respect of this matter, in the event that amounts are not recovered from the previous owners.

Under the terms of the sale and purchase agreement an amount was agreed to be held in escrow until the six month and twelve month anniversary of the completion of the purchase. However, the previous owners have agreed to the funds remaining in escrow until such time as the ongoing issue relating to employment taxes is resolved.

Ongoing supplier claim

Subsequent to the year end the Group has received a claim from a supplier in relation to alleged unlawful termination of a Framework agreement and Equipment Hire agreement. The Directors strongly refute the claim and have filed a defence and counter claim. The dispute remains at an early stage and the Directors are of the opinion that the likely outcome cannot be reliably measured at this time. Further to this the Directors consider that the maximum liability under the Framework agreement should be limited to £250,000 (approximately US$425,203) pursuant to clause 14.4 of the Framework agreement. Liability in relation to the Equipment Hire agreement should be in the region of £62,500 (approximately US$106,300).

33 Events after the Reporting Period

On 4 February 2014, the Company announced that it intends to pursue a secondary flotation of its ordinary shares on the AIM Market of the London Stock Exchange to raise additional capital for future expansion and other business plans.

34 Nature of Financial Information

The financial information presented above does not constitute statutory financial statements for the period under review.

SECTION B

Accountants' Report on the unaudited *pro forma* financial information

Accountants' Report on the unaudited *pro forma* consolidated historical financial information on the Company (formerly Radiance Group Limited) and its subsidiaries (the "Radiance Group") and on Global Invacom Holdings Limited ("GIHL") and its subsidiaries (the "GIHL Group") (together the "Enlarged Group")

On 5 July 2012 the Company acquired the entire issued share capital of GIHL (the "Reverse Acquisition"). Prior to this date the Radiance Group and the GIHL Group operated independently of each other and accordingly, the financial results of the Radiance Group are excluded, prior to 5 July 2012, in the report set out at Part III, Section A of this document.

Set out below is the unaudited *pro forma* consolidated historical financial information on the Enlarged Group, which has been prepared, for illustrative purposes only, and based on certain assumptions and after making certain adjustments to show what the financial results the Enlarged Group for the financial years ended 31 December 2011, 2012 and 2013 would have been if the Reverse Acquisition took place on 1 January 2011.

The unaudited *pro forma* has been prepared for illustrative purposes only and, because of its nature, will not represent the actual consolidated financial position of the Company at the date of Admission.

27 June 2014

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The Directors
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Dear Sirs

Introduction

We report on the unaudited *pro forma* consolidated historical financial information set out in Part III Section B of the AIM Admission Document (the "Document") dated 27 June 2014 of Global Invacom Group Limited (the "Company") and its subsidiaries, which has been prepared, for illustrative purposes only, and based on certain assumptions and after making certain adjustments to show what the financial results of the Company (formerly Radiance Group Limited) and its subsidiaries (the "Radiance Group") and Global Invacom Holdings Limited and its subsidiaries (the "GIHL Group") (together the "Enlarged Group") for the financial years ended 31 December 2011, 2012 and 2013 would have been if the Reverse Acquisition took place on 1 January 2011.

This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that schedule and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the unaudited *pro forma* consolidated historical financial information. It is our responsibility to form an opinion on the financial information as to the proper compilation of the unaudited *pro forma* consolidated historical financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited *pro forma* consolidated historical financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited *pro forma* consolidated historical financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited *pro forma* consolidated historical financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the unaudited *pro forma* consolidated historical financial information has been properly complied on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Moore Stephens LLP
Chartered Accountants

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Revenue	(4)	110,613	85,533	115,750
Cost of sales		(80,235)	(67,650)	(86,546)
Gross profit		30,378	17,883	29,204
Other income		585	119	702
Distribution costs		(375)	(140)	(205)
Administrative expenses		(18,103)	(18,318)	(20,460)
Other operating expenses		(286)	(232)	—
Finance income	(5)	76	204	40
Finance costs	(6)	(62)	(51)	(7)
Profit/(Loss) before income tax	(7)	12,213	(535)	9,274
Income tax (expense)/credit	(8)	(3,432)	769	(1,236)
Profit after income tax attributable to equity holders of the Company		8,781	234	8,038
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
– Exchange differences on translation of foreign subsidiaries		735	(921)	(255)
Other comprehensive income/(loss) for the year, net of tax		735	(921)	(255)
Total comprehensive income for the year attributable to equity holders of the Company		9,516	(687)	7,783
Earning per share (cents)				
– Basic	(9)	4.66	0.12	3.42
– Diluted	(9)	4.66	0.12	3.41

UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
ASSETS				
Non-current Assets				
Property, plant and equipment	(10)	5,600	6,243	10,538
Goodwill	(12)	—	3,260	3,260
Intangible assets	(13)	952	2,186	3,124
Available-for-sale financial assets	(14)	8	8	8
		6,560	11,697	16,930
Current Assets				
Inventories	(15)	19,374	18,981	25,833
Trade receivables	(16)	12,624	18,496	19,156
Other receivables and prepayments	(17)	1,647	2,796	2,499
Tax receivable		—	632	—
Cash and cash equivalents	(18)	22,661	20,835	14,662
		56,306	61,740	62,150
Total assets		62,866	73,437	79,080
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	(19)	34,486	44,174	45,161
Reserves	(20)	(8,042)	(8,457)	(631)
Total equity		26,444	35,717	44,530
Non-current Liabilities				
Other payables	(21)	10,454	11,113	5,367
Deferred taxation	(22)	261	339	621
		10,715	11,452	5,988
Current Liabilities				
Trade payables		10,466	11,754	16,204
Other payables	(21)	14,179	13,899	11,217
Borrowings	(23)	—	615	128
Provision for income tax		1,062	—	1,013
		25,707	26,268	28,562
Total liabilities		36,422	37,720	34,550
Total equity and liabilities		62,866	73,437	79,080

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

Enlarged Group	Note	Share capital US$'000	Merger reserve US$'000	Capital redemption reserve US$'000	Share options reserve US$'000	Capital reserve US$'000	Foreign currency translation reserve US$'000	(Accumulated losses)/ Retained profits US$'000	Total US$'000
Balance as at 1 Jan 2011		34,483	(10,150)	6	79	—	—	(6,156)	18,262
Issuance of shares	(19)	3	—	—	—	—	—	—	3
Cancellation of share capital		—	—	—	—	—	—	(26)	(26)
Resale of treasury shares		—	—	—	—	—	—	(168)	(168)
Share-based payments		—	—	—	25	—	—	—	25
Share options exercised		—	—	—	(6)	—	—	6	—
Profit for the year		—	—	—	—	—	—	8,781	8,781
Other comprehensive income:									
Exchange differences on translating foreign operations		—	—	—	—	—	735	—	735
Total other comprehensive income for the year		—	—	—	—	—	735	8,781	9,516
Transfer to capital reserve in accordance with statutory requirements		—	—	—	—	758	—	(758)	—
Payment of dividends		—	—	—	—	—	—	(1,168)	(1,168)
Balance as at 31 Dec 2011		34,486	(10,150)	6	98	758	735	511	26,444
Balance as at 1 Jan 2012		34,486	(10,150)	6	98	758	735	511	26,444
Issuance of compliance shares	(19)	10,468	—	—	—	—	—	—	10,468
Expenses on issuance of shares	(19)	(780)	—	—	—	—	—	—	(780)
Cancellation of share capital		—	—	—	—	—	—	(26)	(26)
Sale of treasury shares		—	—	—	—	—	—	277	277
Share-based payments		—	—	—	21	—	—	—	21
Share options exercised		—	—	—	(119)	—	—	119	—
Profit for the year		—	—	—	—	—	—	234	234
Other comprehensive loss:									
Exchange differences on translating foreign operations		—	—	—	—	—	(921)	—	(921)
Total other comprehensive loss for the year		—	—	—	—	—	(921)	234	(687)
Transfer to capital reserve in accordance with statutory requirements		—	—	—	—	555	—	(555)	—
Balance as at 31 Dec 2012		44,174	(10,150)	6	—	1,313	(186)	560	35,717
Balance as at 1 Jan 2013		44,174	(10,150)	6	—	1,313	(186)	560	35,717
Issuance of shares	(19)	1,942	—	—	—	—	—	—	1,942
Purchase of treasury shares	(19)	(955)	—	—	—	—	—	—	(955)
Share-based payments		—	—	—	43	—	—	—	43
Profit for the year		—	—	—	—	—	—	8,038	8,038
Other comprehensive loss:									
Exchange differences on translating foreign operations		—	—	—	—	—	(255)	—	(255)
Total other comprehensive income for the year		—	—	—	—	—	(255)	8,038	7,783
Balance as at 31 Dec 2013		45,161	(10,150)	6	43	1,313	(441)	8,598	44,530

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2011, 2012 AND 2013

	Note	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Cash Flows from Operating Activities				
Profit/(Loss) before income tax		12,213	(535)	9,274
Adjustments for:				
Depreciation of property, plant and equipment		1,377	1,567	1,435
Amortisation of intangible assets		4	6	6
Loss/(Gain) on disposal of property, plant and equipment		42	2	(91)
Allowance for inventory obsolescence		—	33	7
Write back of inventory obsolescence		(121)	(170)	(308)
Unrealised exchange (gain)/loss		(195)	411	(817)
Interest income		(76)	(204)	(40)
Interest expense		62	51	7
Share-based payments		25	21	43
Impairment of intangible assets		—	—	16
Operating cash flow before working capital changes		13,331	1,182	9,532
Changes in working capital:				
Inventories		(1,366)	950	(5,393)
Trade receivables		3,660	(4,609)	286
Other receivables and prepayments		(537)	(454)	(897)
Trade and other payables		(5,406)	(3,105)	3,381
Cash generated from/(used in) from operating activities		9,682	(6,036)	6,909
Interest paid		(62)	(72)	(7)
Income tax (paid)/refunded		(3,156)	(944)	756
Prior year tax rebate received		13	—	—
Net cash generated from/(used in) from operating activities		6,477	(7,052)	7,658
Cash Flows from Investing Activities				
Interest received		76	204	40
Purchase of property, plant and equipment	(10)	(2,813)	(1,293)	(2,403)
Proceeds from disposal of property, plant and equipment		82	2	93
Increased in capitalised development cost	(13)	(629)	(1,235)	(962)
Payments to acquire intangible assets through business combinations		(265)	—	—
Acquisition of a subsidiary, net of cash acquired	(12)	—	(2,960)	(2,310)
Cash consideration paid for reverse acquisition	(21)	—	—	(7,500)
Net cash used in investing activities		(3,549)	(5,282)	(13,042)
Cash Flows from Financing Activities				
Proceeds from share issue		3	—	—
Proceeds from borrowings		1,787	4,538	527
Repayment of borrowings		(4,833)	(3,923)	(1,014)
Repayment to hire purchase creditors		(41)	—	—
Issuance of compliance shares	(19)	—	10,468	—
Expenses on issuance of shares	(19)	—	(780)	—
Treasury shares	(19)	(168)	277	(955)
Cancellation of own shares		(26)	(26)	—
Dividends paid		(1,168)	—	—
Decrease/(Increase) in restricted cash		3,856	(7)	2,023
Net cash (used in)/generated from financing activities		(590)	10,547	581
Net increase/(decrease) in cash and cash equivalents		2,338	(1,787)	(4,803)
Cash and cash equivalents at the beginning of the year		17,121	19,735	17,902
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		276	(46)	653
Cash and cash equivalents at the end of the year	(18)	19,735	17,902	13,752

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

1 General

Global Invacom Group Limited (the ''Company'') is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (''SGX-ST''). The registered address of the Company and the principal place of business is at 8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are set out in Note 11.

2 Significant Accounting Policies

(a) Basis of Preparation

The unaudited *pro forma* financial information of the Enlarged Group have been prepared, for illustrative purposes only and based on certain assumptions and after making certain adjustments to show what:

(i) the financial results of the Enlarged Group for the financial years ended 31 December 2011, 2012 and 2013 would have been if the Enlarged Group structure had been in place since 1 January 2011;

(ii) the financial position of the Enlarged Group as at 31 December 2011, 2012 and 2013 would have been if the Enlarged Group structure had been in place on 31 December 2011; and

(iii) the changes in equity and the cash flows of the Enlarged Group for the financial years ended 31 December 2011, 2012 and 2013 would have been if the Enlarged Group structure had been in place since 1 January 2011.

The objective of the unaudited *pro forma* consolidated financial information is to show what the historical information would have been had the Enlarged Group existed on the dates mentioned above. However, the unaudited *pro forma* consolidated financial information is not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the Enlarged Group existed on those dates.

Accordingly, the unaudited *pro forma* consolidated financial information, because of their nature, may not give a true picture of the Enlarged Group's actual financial results, financial position, changes in equity or cash flows.

The unaudited *pro forma* consolidated financial information of the Enlarged Group has been compiled based on the following:

(i) the audited consolidated financial statements of the Radiance Group for the financial year ended 31 December 2011, prepared in accordance with Singapore Financial Reporting Standards (''SFRS'') and audited by Moore Stephens LLP, Singapore;

(ii) the audited consolidated financial statements of Global Invacom Group Limited and its subsidiaries (''GIGL Group'') for the financial year ended 31 December 2012, prepared in accordance with SFRS and audited by Moore Stephens LLP, Singapore;

(iii) the audited consolidated financial statements of GIGL Group for the financial year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards (''IFRS'') and audited by Moore Stephens LLP, Singapore; and

(iv) the audited consolidated financial statements of the GIHL Group for the financial years ended 31 December 2011, 2012 and 2013 prepared in accordance with IFRS and audited by Moore Stephens LLP, London.

There are essentially no material differences between IFRS and SFRS. The auditors' reports on the financial statements described above do not contain any qualification. The unaudited *pro forma* consolidated financial information are prepared using uniform accounting policies, for like transactions and other events in similar circumstances, as set out in Note 2.

(b) Group Accounting

Consolidation

The consolidated unaudited *pro forma* financial information comprises the unaudited *pro forma* financial information of the Company and its subsidiaries as at the end of the reporting period. The unaudited *pro forma* financial information of the subsidiaries used in the preparation of the consolidated unaudited *pro forma* financial information is prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Subsidiaries are entities over which any of the group companies have control. The group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Enlarged Group will re-assess 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group companies and are deconsolidated from the date that control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Changes in the Enlarged Group's ownership interests in subsidiaries that do not result in the Enlarged Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Enlarged Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Enlarged Group.

When the Enlarged Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Enlarged Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IFRS 9.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Enlarged Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Enlarged Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity in the consolidated statement of financial position, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

For non-controlling interests that present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Enlarged Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in other standards.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Enlarged Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2(e). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Disposals of subsidiaries or businesses

When a change in the ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(c) Functional and Foreign Currencies

Functional and presentation currency

The individual unaudited *pro forma* financial information of each group entity is presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated unaudited *pro forma* financial information, the results and financial position of each group entity are expressed in United States Dollar ("US$"), which is the presentation currency for the consolidated unaudited *pro forma* financial information. All values are rounded to the nearest thousand (US$'000), except as otherwise indicated.

Prior to 1 January 2013, the presentation currency of the Enlarged Group was S$. Effective 1 January 2013, the Enlarged Group changed its presentation currency from S$ to US$. The significant portions of the Enlarged Group's revenue, expenses and cash flows are denominated in US$. The change in presentation currency is to better reflect the Enlarged Group's business activities and will result in a more appropriate presentation of the Enlarged Group's financial position and performance. It also improves shareholders' and investors' ability to compare the Enlarged Group's financial results with other publicly traded business in the similar industry. The change of presentation currency of the unaudited *pro forma* financial information from S$ to US$ has been applied retrospectively.

Transactions and balances

In preparing the unaudited *pro forma* financial information of the individual group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated unaudited *pro forma* financial information and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of group entities' unaudited pro forma financial information

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the date of that statement of financial position;
- income or expense for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation, all of the accumulated currency translation differences in respect of that operation attributable to the Enlarged Group are reclassified to profit or loss. Any currency translation differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

(d) Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment acquired with individual values under US$1,000 are not capitalised, they are recognised as an expense in the statement of comprehensive income.

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Enlarged Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated on the straight-line basis to write off the cost of property, plant and equipment over the estimated useful lives of the assets as follows:

Freehold property	–	20 years
Machinery and equipment	–	3 to 10 years
Furniture, fittings and equipment	–	3 to 10 years
Motor vehicles	–	3 to 10 years
Renovations	–	1 to 5 years

Included in freehold property is freehold land of approximately US$2,825,000 (2012: US$500,000, 2011: Nil) which has an unlimited useful life and therefore is not depreciated.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset.

The carrying amounts 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 value, useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Goodwill on Consolidation

Goodwill represents the excess of the cost of an acquisition of a subsidiary over the fair value of the Enlarged Group's share of their identifiable net assets, including contingent liabilities, at the date of acquisition. Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount (including the goodwill), an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and value-in-use. Impairment loss on goodwill is not reversed in a subsequent period.

(f) Intangible Assets

Club membership

Acquired club membership is shown at historical cost. The club membership is assessed as having an indefinite life as the contract is open ended and there is no foreseeable limit to the period over which the membership is expected to generate cash to the Enlarged Group. The club membership is tested for impairment annually and carried at cost less any accumulated impairment losses.

Research and development expenditure

Research expenditure is recognised in operating expenses in profit or loss as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Enlarged Group has the ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expenses as incurred.

Capitalised development costs

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Enlarged Group are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) management intends to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of five (5) years from the date that the product is brought into first use. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Trading name

Trading name is measured initially at cost. Following initial recognition, trading name is measured at cost less any impairment losses. Trading name is assessed as having an indefinite useful life as there is no foreseeable limit to the period over which the trading name is expected to generate economic benefits to the Enlarged Group, including market presence and trading contacts. The indefinite useful life is reviewed annually to ensure the useful life assessment continues to be supportable.

Trading name is reviewed for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the trading name relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment loss on trading name is not reversed in a subsequent period.

Intellectual property rights

Intellectual property rights (comprising granted patents and patents pending) are measured initially at cost. Following initial recognition, intellectual property rights are measured at cost less accumulated amortisation and any accumulated impairment losses. Intellectual property rights are amortised on a straight line basis over a period of ten (10) years from the date that the patent is granted.

The useful life and amortisation method are reviewed annually to ensure that the method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the intellectual property rights.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value.

For satellite communications inventories which consist of finished goods held for sale, cost is determined on a first-in, first-out (FIFO) basis. For contract manufacturing inventories, cost is determined on a weighted average basis, which include the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, the cost of work-in-progress and finished goods comprises raw materials, direct labour and related production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale. Allowance is made for obsolete and slow-moving items.

(h) Financial Assets

i. Classification

The Enlarged Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

ii. Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Enlarged Group has transferred substantially all risks and rewards of ownership. On disposal of an available-for-sale financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had previously been recognised directly in other comprehensive income is recognised in profit and loss.

Available-for-sale financial assets are included in non-current assets unless the carrying value is expected to be recovered principally through sale rather than continuing use, in which case they are included within current assets.

iii. Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

iv. Subsequent measurement

Loans and receivables

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets, available-for-sale

Available-for-sale financial assets are subsequently carried at fair value, where this can be reliably measured, with movements in fair value recognised directly in other comprehensive income. Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until the investment is sold, collected or otherwise disposed of, or until the financial asset is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in profit and loss. Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recorded at cost less impairment.

v. Impairment

The Enlarged Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Any impairment losses on equity investments classified as an available-for-sale financial asset are recognised in profit and loss.

(i) Impairment of Non-financial Assets

Non-financial assets (excluding goodwill and intangible assets with indefinite useful lives) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Enlarged Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Enlarged Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances 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 purpose of presentation in the unaudited *pro forma* consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less bank deposits pledged as security.

(k) Trade and Other Payables

Trade and other payables, which are normally settled on 30 to 90 day terms, are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method.

(l) Share Capital

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

(m) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved by the shareholders for payment.

(n) Treasury Shares

When any entity within the Enlarged Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(o) Borrowings

Borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Enlarged Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(q) Revenue Recognition

Revenue for the Enlarged Group comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of business, net of goods and services/value-added tax, rebates and discounts and after eliminating sales within the Enlarged Group.

The Enlarged Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Enlarged Group's activities are met as follows:

Sale of goods

Revenue on the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

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

(r) Employee Benefits

Defined contribution plans

Defined contribution plans (including state-managed retirement benefit schemes) are post-employment benefit plans under which the Enlarged Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Enlarged Group has no further payment obligations once the contributions have been paid. Contributions to defined contributions plans are recognised as an expense in profit or loss as they fall due.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognised for services rendered by employees up at the end of the reporting period.

Employee share options

– Equity-settled share options

  The cost of equity-settled share options with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

  The fair value determined at the grant date of the equity-settled options is recognised as an expense of employee share options in profit or loss with a corresponding increase in the share options reserve over the vesting period, based on the Company's estimate of shares that will eventually vest. Where the vesting conditions of a share-based compensation plan is not met, it shall be considered as forfeiture. The expense shall be revised to reflect the best available estimate of the number of equity instruments expected to vest. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

– Cash-settled options

  The cost of cash-settled share options is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. This fair value is expensed over the vesting period with the recognition of a corresponding liability. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognised in profit or loss.

– Group cash-settled share-based payment transactions

  If an entity in the Enlarged Group is settling a share-based payment transaction, when another entity in the Enlarged Group receives the goods or services, it shall recognise the transaction as an equity-settled share-based payment transaction only when it is settled in the entity's own equity instruments. Otherwise, the share-based payment transaction shall be recognised as a cash-settled share-based payment transaction.

(s) Operating Leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

(u) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the unaudited *pro forma* consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Enlarged Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

– where the deferred tax 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;
– in respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Enlarged Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
– in respect of deductible temporary differences and carry-forward of unutilised tax credits and tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax credits and tax losses can be utilised.

Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date.

Current and deferred income taxes are recognised as income or expenses in the unaudited *pro forma* consolidated income statement for the financial period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3 Critical Accounting Judgements and Estimates

The preparation of this unaudited *pro forma* financial information in conformity with IFRS requires management to exercise its judgement in the process of applying the Enlarged Group's accounting policies, as set out in Note 2, based on historical experience and other factors considered to be relevant.

The preparation of this unaudited proforma financial information also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the unaudited *pro forma* financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Judgements made in applying accounting policies

In the process of applying the Enlarged Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the unaudited *pro forma* financial information are discussed below.

(i) Allowance for inventory obsolescence

Reviews are made periodically by management in respect of inventories for excess inventories, obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving experiences.

During the current financial year, the Enlarged Group wrote-back an allowance of approximately US$308,000 (2012: US$170,000, 2011: US$121,000) for inventory obsolescence (Note 7). The Enlarged Group has made an allowance for inventory obsolescence for the financial year ended 31 December 2013 of US$7,000 (2012:

US$33,000, 2011: Nil) (Note 7) and no stock obsolescence was written-off (2012: US$751,000, 2011: Nil) (Note 15). The carrying amount of the Enlarged Group's inventories as at 31 December 2013 was US$25,833,000 (2012: US$18,981,000, 2011: US$19,374,000) (Note 15).

(ii) Impairment of trade receivables

Management reviews trade receivables for objective evidence of impairment on a periodic basis. Significant financial difficulties of the debtor, the probability that the debtors will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant adverse changes in the technology, market, economic or legal environment in which the debtor operates. Where there is objective evidence of impairment, management judges whether an impairment loss should be recorded against the receivable.

During the financial year ended 31 December 2013, no impairment loss was recognised in profit or loss for trade receivables (2012: Nil, 2011: Nil). The carrying amount of the Enlarged Group's trade receivables was US$19,156,000 (2012: US$18,496,000, 2011: US$12,624,000) (Note 16).

(iii) Capitalised development costs

Management determine the amount of development costs to be recognised as intangible assets at each reporting date. In making their judgement, management have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Enlarged Group in accordance with the accounting policy stated in Note 2(f).

The carrying amount of the Enlarged Group's capitalised development costs as at 31 December 2013 was US$2,826,000 (2012: US$1,864,000, 2011: US$629,000) (Note 13).

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within one (1) to twenty (20) years. The carrying amount of the Enlarged Group's property, plant and equipment as at 31 December 2013 was US$10,538,000 (2012: US$6,243,000, 2011: US$5,600,000) (Note 10). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual value of these property, plant and equipment, which management assesses annually and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such an estimate has been changed.

If depreciation on property, plant and equipment increases/decreases by 10% from management's estimate, the Enlarged Group's profit for the year ended 31 December 2013 will decrease/increase by approximately US$143,500 (2012: US$156,700, 2011: US$137,700).

(ii) Impairment of goodwill

Goodwill arising from acquisition of subsidiaries is tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill on consolidation as at 31 December 2013 was US$3,260,000 (2012: US$3,260,000, 2011: Nil) (Note 12).

No impairment loss was recognised for the goodwill arising from acquisition of subsidiaries assessed as at 31 December 2013 (2012: Nil, 2011: Nil) as the relevant recoverable amounts were in excess of the respective carrying amounts.

If the management's estimated pre-tax discount rates applied to the discounted cash flows for the CGUs as at 31 December 2013 is increased by 1% (2012: 1%, 2011: 1%), the relevant recoverable amounts are still in excess of the respective carrying amounts of the goodwill.

(iii) Income taxes

The Enlarged Group has exposure to income taxes in numerous jurisdictions. In determining the income tax liabilities, Management is required to estimate the amount of capital allowances and the deductibility of certain expenses at each tax jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Enlarged Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. 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 Enlarged Group has recognised an income tax expense of US$1,236,000 for the financial year ended 31 December 2013 (2012: income tax credit of US$769,000, 2011: income tax expense of US$3,432,000) (Note 8). The carrying amounts of the Enlarged Group's current income tax liabilities were US$1,013,000 (2012: income tax receivable of US$632,000, 2011: income tax liabilities of US$1,062,000) and deferred income tax liabilities were US$621,000 (2012: US$339,000, 2011: US$261,000) (Note 22) as at 31 December 2013.

4 Revenue

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Sale of goods	110,613	85,533	115,750

5 Finance Income

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Interest income on fixed deposits	76	204	40

6 Finance Costs

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Interest expense on borrowings	62	51	7

7 Profit/(Loss) Before Income Tax

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
This is arrived at after charging/(crediting):			
Cost of inventories recognised as an expense (included in cost of sales)	80,235	67,650	86,546
Amortisation of intangible assets	4	6	6
Depreciation of property, plant and equipment included in:			
– cost of sales	793	686	689
– administrative expenses	584	881	746
Audit fees – Company's auditors	551	237	153
– Other auditors	94	30	194
Non-audit fees – Other auditors	51	35	30
Loss/(Gain) on disposal of property, plant and equipment (included in other income/other operating expenses)	42	2	(91)
Operating lease expense	1,252	1,647	1,762
Write-back of inventory obsolescence	(121)	(170)	(308)
Allowance for inventory obsolescence	—	33	7
(Gain)/Loss on foreign exchange (included in other income/other operating expenses)	(103)	411	(458)
Research and development expense (included in administrative expenses)	999	629	357
Impairment of intangible assets	—	—	16

8 Income Tax Expense/(Credit)

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Income tax expense attributable to the results is made up of:			
Current income tax			
– current year	3,008	349	903
– (under)/over provision in prior year	(331)	(890)	35
Losses carry back against prior year liability	—	(186)	—
	2,677	(727)	938
Deferred tax	102	—	266
Withholding tax			
– current year	326	41	32
– over/(under) provision in prior year	340	(83)	—
Cash tax rebate with regard to prior year	(13)	—	—
	3,432	(769)	1,236

The income tax expense/(credit) on the profit/(loss) before income tax varies from the amount of income tax expense/(credit) determined by applying the applicable tax rates in each jurisdiction the Enlarged Group operates due to the following factors:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Profit/(Loss) before income tax	12,213	(535)	9,274
Income tax expense/(credit) calculated at applicable tax rates	3,192	(302)	2,130
Non-deductible expenses	113	222	541
Non-taxable income	(9)	(92)	(225)
Deferred tax assets not recognised	381	902	—
Utilisation of unrecognised deferred tax asset	—	(313)	(1,063)
Research and development credits	(567)	(254)	(214)
(Under)/Over provision of income tax in prior year	(331)	(890)	35
Withholding tax			
– current year	326	41	32
– over/(under) provision in prior year	340	(83)	—
Cash tax rebate with regard to prior year	(13)	—	
	3,432	(769)	1,236

The applicable tax rates used for the reconciliations above are the corporate tax rates payable by entities on taxable profits under tax law in the following jurisdictions:

	2011	2012	2013
Singapore	17%	17%	17%
England and Wales	26.5%	24.5%	23.25%
Malaysia	—	25%	25%
People's Republic of China	25%	25%	25%

The remaining entities of the Enlarged Group operating in jurisdictions other than the above have either no taxable income or are not material.

According to a joint circular of the Ministry of Finance and the State Administration of Taxation, Cai Shui [2008] No. 1, only the profits earned by a foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be exempted from withholding tax. Whereas, dividends distributed out of the profit generated thereafter, shall be subject to EIT at 10% (or at the concessionary rate of 5%, if applicable) and withheld by the PRC entity, pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Details Implementation Rules.

As at 31 December 2013, withholding tax on the portion of the undistributed earnings derived by the Enlarged Group's subsidiaries in the PRC which is expected to be distributed out as dividends in the foreseeable future amounted to approximately US$32,000 (2012: US$41,000, 2011: US$326,000), has been accrued to the Enlarged Group's unaudited *pro forma* financial information.

Unrecognised tax losses

As at 31 December 2013, the Enlarged Group has unutilised tax losses of approximately US$13,527,000 (2012: US$15,302,000, 2011: US$13,128,000) which can be carried forward and used to offset against future taxable income of those Enlarged Group entities in which the losses arose, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. A deferred tax asset arising from these unutilised tax losses carried forward has not been recognised in accordance with the Enlarged Group's accounting policy stated in Note 2(v). The deferred tax asset not recognised is estimated to be US$2,439,000 (2012: US$2,800,000, 2011: US$2,232,000).

The Enlarged Group does not have any unrecognised deferred taxation asset at 31 December 2013 (2012: US$2.0 million, 2011: US$2.1 million) relating to costs associated with past services received in 2010. During the year ended 31 December 2013, the Enlarged Group received tax relief of US$702,000 relating to part of these costs (2012: US$167,000, 2011: Nil).

9 Earning Per Share

(a) Basic Earning Per Share

Basic earning per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2011 Unaudited	2012 Unaudited	2013 Unaudited
Net profit for the year attributable to equity holders of the Company (US$'000)	8,781	234	8,038
Weighted average number of ordinary shares outstanding for basic earning per share computation ('000)	188,458	200,375	235,347
Basic earning per share (US cents)	4.66	0.12	3.42

(b) Diluted Earning Per Share

For the purpose of calculating diluted earning per share, the total number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares, being the share options granted and remained outstanding, if any, as at the date of financial position.

For the share options, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's ordinary shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to the profit (numerator).

Diluted earning per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2011 Unaudited	2012 Unaudited	2013 Unaudited
Net profit for the year attributable to equity holders of the Company (US$'000)	8,781	234	8,038
Weighted average number of ordinary shares outstanding for diluted earning per share computation ('000)	188,458	200,375	235,600
Diluted earning per share (US cents)	4.66	0.12	3.41

10 Property, Plant and Equipment

	Freehold property US$'000 Unaudited	Machinery & equipment US$'000 Unaudited	Furniture fittings & equipment US$'000 Unaudited	Motor vehicles US$'000 Unaudited	Renovations US$'000 Unaudited	Total US$'000 Unaudited
2011						
Cost						
Balance as at 1 January 2011	—	10,601	5,269	540	958	17,368
Currency realignment	—	(27)	3	—	(3)	(27)
Additions	—	1,610	1,123	—	80	2,813
Disposals	—	—	(11)	(265)	—	(276)
Balance as at 31 December 2011	—	12,184	6,384	275	1,035	19,878
Accumulated depreciation						
Balance as at 1 January 2011	—	8,299	3,570	320	865	13,054
Currency realignment	—	(5)	(7)	(14)	—	(26)
Depreciation charge	—	804	528	27	18	1,377
Disposals	—	—	(10)	(117)	—	(127)
Balance as at 31 December 2011	—	9,098	4,081	216	883	14,278
Net book value						
Balance as at 31 December 2011	—	3,086	2,303	59	152	5,600
2012						
Cost						
Balance as at 1 January 2012	—	12,184	6,384	275	1,035	19,878
Currency realignment	—	50	—	—	5	55
Additions	—	644	585	—	64	1,293
Acquired through business combinations (Note 12)	519	362	—	19	10	910
Disposals	—	(119)	(9)	(4)	—	(132)
Balance as at 31 December 2012	519	13,121	6,960	290	1,114	22,004
Accumulated depreciation						
Balance as at 1 January 2012	—	9,098	4,081	216	883	14,278
Currency realignment	—	47	(3)	(1)	1	44
Depreciation charge	1	815	671	21	59	1,567
Disposals	—	(118)	(6)	(4)	—	(128)
Balance as at 31 December 2012	1	9,842	4,743	232	943	15,761
Net book value						
Balance as at 31 December 2012	518	3,279	2,217	58	171	6,243
2013						
Cost						
Balance as at 1 January 2013	519	13,121	6,960	290	1,114	22,004
Currency realignment	—	(8)	(1)	—	(3)	(12)
Additions	—	2,135	110	84	74	2,403
Acquired through business combinations (Note 12)	2,344	967	—	—	—	3,311
Disposals	—	(370)	(46)	(95)	—	(511)
Balance as at 31 December 2013	2,863	15,845	7,023	279	1,185	27,195
Accumulated depreciation						
Balance as at 1 January 2013	1	9,842	4,743	232	943	15,761
Currency realignment	—	(28)	—	—	(2)	(30)
Depreciation charge	5	867	462	29	72	1,435
Disposals	—	(371)	(44)	(94)	—	(509)
Balance as at 31 December 2013	6	10,310	5,161	167	1,013	16,657
Net book value						
Balance as at 31 December 2013	2,857	5,535	1,862	112	172	10,538

11 Subsidiaries

Details of the subsidiaries as at the end of the financial year are as follows:

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Company		
		2011	2012	2013
		%	%	%
Held by the Company				
Global Invacom Holdings Limited[1] England and Wales	Investment holding England and Wales	100	100	100
Global Invacom Sdn Bhd[2] Malaysia	Trading and manufacturing Malaysia	—	100	100
Global Invacom Manufacturing Pte Ltd[3] Singapore	Trading and investment holding Singapore	100	100	100
Radiance Cayman Ltd[4] Cayman Islands	Marketing and promotion Cayman Islands	100	100	100
Radiance Electronics (Shenzhen) Co., Ltd[10] PRC	Electronics manufacturing services PRC	100	100	100
Sino-Brilliant Energy Pte Ltd[3][11] Singapore	Investment holding Singapore	100	100	100
Held by Subsidiary				
Global Invacom Manufacturing (Shanghai) Co., Ltd (formerly known as Radiance Electronics (Shanghai) Co., Ltd[5][10] PRC	Electronics manufacturing services PRC	100	100	100
Radiance Energy Technology Co., Ltd[6][10] PRC	Manufacturing and investment holding PRC	100	100	—
Global Invacom Limited[1][7] England and Wales	Design and sale of products for reception and transmission of satellite signals England and Wales	100	100	100
GI Provision Limited[1][7] England and Wales	Design and sales of HD video transmission and reception technology England and Wales	100	100	100
Invacom Holdings Limited[8] England and Wales	Dormant England and Wales	100	100	100
Invacom Limited[9] England and Wales	Dormant England and Wales	100	100	100
Invacom Systems Limited[9] England and Wales	Dormant England and Wales	100	100	100
The Waveguide Solution Limited[1][7] England and Wales	Design and manufacture of microwave waveguide components and applications England and Wales	—	100	100
Global Invacom Manufacturing (UK) Limited (formerly known as Raven Manufacturing Limited)[1][7] England and Wales	Manufacture and supply of antennas and related products England and Wales	—	—	100

(1) Audited by Moore Stephens LLP, London.
(2) Audited by Moore Stephens Associates & Co., Malaysia.
(3) Audited by Moore Stephens LLP, Singapore.
(4) Not required to be audited by law in its country of incorporation. However, the financial statements were reviewed in accordance with IFRS for consolidation purposes by Moore Stephens LLP, Singapore.
(5) Wholly-owned subsidiary of Global Invacom Manufacturing Pte Ltd.
(6) Wholly-owned subsidiary of Sino-Brilliant Energy Pte Ltd. It was deregistered at the date of this unaudited *pro forma* financial information.
(7) Wholly-owned subsidiary of Global Invacom Holdings Limited.
(8) Wholly-owned subsidiary of Global Invacom Limited.
(9) Wholly-owned subsidiary of Invacom Holdings Limited.
(10) The financial statements were audited in accordance with IFRS for consolidation purposes by Moore Stephens LLP, Singapore.
(11) It was deregistered at the date of this unaudited *pro forma* financial information.

12 Goodwill

		2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Cost				
At beginning of the financial year		—	—	3,260
Acquisition of subsidiaries	(a)	—	3,260	—
Less: Impairment loss	(b)	—	—	—
At the end of the financial year		—	3,260	3,260

(a) Acquisition of Subsidiaries

(i) Acquisition of Global Invacom Manufacturing (UK) Limited ("GIML")

On 26 November 2013, the Company completed the acquisition of the entire equity interest in GIML (formerly known as Raven Manufacturing Limited), a company registered in England and Wales with the principal activities of the manufacture and supply of antennas and related products for the satellite industry and manufacture of metal pressings and sub assemblies for the UK automotive industry. The acquisition has been accounted for using the acquisition method of accounting. The fair values of assets and liabilities arising from the acquisition of GIML have been determined to be approximately its carrying amount as at acquisition date. The consolidated unaudited *pro forma* financial information includes the results of GIML from the acquisition date.

The identifiable assets and liabilities arising from the acquisition were as follows:

	Fair value recognised on acquisition US$'000 Unaudited	Acquiree's carrying amount US$'000 Unaudited
Property, plant and equipment (Note 10)	3,311	3,311
Inventories	1,139	1,139
Trade and other receivables	1,080	1,080
	5,530	5,530
Trade and other payables	(2,533)	(2,533)
Invoice financing facility	(584)	(584)
	(3,117)	(3,117)
Fair value of net assets	2,413	2,413

The total cost of business combination was £1,492,000 (approximately US$2,413,000). The consideration was fully satisfied by way of cash, with the understanding that £148,367 be deposited in an escrow account until its release in accordance with the Sale and Purchase agreement entered into on 26 November 2013. The consideration was arrived at after arm's length negotiations, on a 'willing buyer willing seller' basis, based on the estimated net asset value of GIML as at the completion date.

Acquisition costs of US$485,000 have been excluded from the consideration above and recognised as an expense in the current year within the line "administrative expenses" in the statement of comprehensive income.

Goodwill arising from acquisition

	2013
	US$'000
	Unaudited
Fair value of net identifiable assets	2,413
Goodwill on acquisition	—
Cost of business combination	2,413

Impact of acquisition on the cash flows of the Enlarged Group

The effect of the acquisition of the subsidiary on cash flows is as follows:

	2013
	US$'000
	Unaudited
Purchase consideration for acquisition of subsidiary	(2,413)
Add: Repayment of invoice financing facility	687
Invoice financing facility of the subsidiary acquired	(584)
Net cash outflow on acquisition	(2,310)

Impact of acquisition on the results of the Enlarged Group

From the date of acquisition, GIML contributed total revenue of approximately US$1,156,000 and loss for the year of approximately US$336,000 to the Enlarged Group's result. If the acquisition had occurred on 1 January 2013, the consolidated revenue and net profit for the current financial year would have been US$127,362,000 and US$7,098,000 respectively.

(ii) Acquisition of The Waveguide Solution Limited ("TWS")

On 3 August 2012, the Company completed the acquisition of the entire equity interest in TWS, a company registered in England and Wales, with principal activities in the design and manufacture of microwave waveguide components and applications for the military, medical, aerospace and marine industries. The acquisition has been accounted for using the acquisition method of accounting. The fair values of assets and liabilities arising from the acquisition of TWS have been determined to be approximately its carrying amount as at acquisition date. The consolidated unaudited *pro forma* financial information includes the results of TWS from the acquisition date.

The identifiable assets and liabilities arising from the acquisition were as follows:

	Fair value recognised on acquisition	**Acquiree's carrying amount**
	US$'000	**US$'000**
	Unaudited	**Unaudited**
Property, plant and equipment (Note 10)	910	910
Inventories	417	417
Trade and other receivables	1,356	1,356
Cash and cash equivalents	2,466	2,466
	5,149	5,149
Trade and other payables	(454)	(454)
Deferred tax liabilities (Note 22)	(76)	(76)
Provision for income tax	(458)	(458)
	(988)	(988)
Fair value of net assets	4,161	4,161

The total cost of business combination was £4,750,000 (approximately US$7,421,000). The consideration is to be fully satisfied by way of £3,515,000 payable in cash, with the understanding that £475,000 be deposited in an escrow account until its release in accordance with the Sale and Purchase agreement entered into on 3 August 2012, and £1,235,000 (approximately US$1,995,000) payable in the form of 7,805,264 new ordinary shares (the "Consideration Shares") in the Company. The consideration was arrived at after arm's length negotiations, on a 'willing buyer willing seller' basis, based on an assessment of historical and projected earnings, earnings multiples and cash flows. The Company has allotted and issued the Consideration Shares to the vendors on 1 March 2013. The vendors have undertaken that they will not for a period of twelve (12) months from the allotment and issuance of the Consideration Shares to them, dispose of or create any encumbrance over any of the Consideration Shares except with the prior consent of the Company.

Goodwill arising from acquisition

	2012
	US$'000
	Unaudited
Fair value of net identifiable assets	4,161
Goodwill on acquisition	3,260
Cost of business combination	7,421

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the assets and activities of TWS with those of the Enlarged Group. The goodwill is not considered deductible for tax purposes.

Impact of acquisition on the cash flows of the Enlarged Group

The effect of the acquisition of the subsidiary on cash flows is as follows:

	2012
	US$'000
	Unaudited
Purchase consideration for acquisition of subsidiary	(7,421)
Add: Share consideration received by vendors	1,995
Cash and cash equivalent of the subsidiary acquired	2,466
Net cash outflow on acquisition	(2,960)

Impact of acquisition on the results of the Enlarged Group

From the date of acquisition, TWS contributed total revenue of approximately US$2,403,000 and profit for the year of approximately US$329,000 to the Enlarged Group's results for the year ended 31 December 2012. If the acquisition had occurred on 1 January 2012, the consolidated revenue and net loss for the previous year would have been US$78,403,000 and US$16,825,000 respectively.

(b) Impairment Test of Goodwill

Allocation of goodwill

Goodwill has been allocated to the Enlarged Group's cash generating unit ("CGU") identified according to the business segment as follows:

	2011	**2012**	**2013**
	US$'000	**US$'000**	**US$'000**
Satellite Communications	—	3,260	3,260

The Enlarged Group assessed the recoverable amount of goodwill based on value in use calculations which uses cash flow projections based on financial forecast provided by management covering a five-year period. The growth rate used is based on historical growth and past experience and does not exceed the currently estimated long-term growth rate of the industries in which the aforesaid entities operate. The pre-tax discount rates used, which management estimates to reflect the risks specific to the CGU's cash flow is 7.10% (2012: 6.65%, 2011: Nil). Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of goodwill to exceed its recoverable amount.

Based on management's review of the recoverable amounts of the CGUs, no impairment on goodwill was required during the financial year ended 31 December 2013 (2012: Nil, 2011: Nil).

13 Intangible Assets

	Trading name US$'000 Unaudited	Intellectual property rights US$'000 Unaudited	Capitalised development costs US$'000 Unaudited	Club membership US$'000 Unaudited	Total US$'000 Unaudited
2011					
Cost					
Balance as at 1 January 2011	—	—	—	64	64
Additions	—	—	629	—	629
Acquired through business combination	16	249	—	—	265
Currency realignment	—	—	—	(2)	(2)
Balance as at 31 December 2011	16	249	629	62	956
Amortisation					
Balance as at 1 January 2011	—	—	—	—	—
Amortisation charge	—	4	—	—	4
Balance as at 31 December 2011	—	4	—	—	4
Net book value					
Balance as at 31 December 2011	16	245	629	62	952
2012					
Cost					
Balance as at 1 January 2012	16	249	629	62	956
Additions	—	—	1,235	—	1,235
Currency realignment	—	—	—	5	5
Balance as at 31 December 2012	16	249	1,864	67	2,196
Amortisation					
Balance as at 1 January 2012	—	4	—	—	4
Amortisation charge	—	6	—	—	6
Balance as at 31 December 2012	—	10	—	—	10
Net book value					
Balance as at 31 December 2012	16	239	1,864	67	2,186
2013					
Cost					
Balance as at 1 January 2013	16	249	1,864	67	2,196
Additions	—	—	962	—	962
Currency realignment	—	—	—	(2)	(2)
Balance as at 31 December 2013	16	249	2,826	65	3,156
Amortisation					
Balance as at 1 January 2013	—	10	—	—	10
Amortisation charge	—	6	—	—	6
Impairment	16	—	—	—	16
Balance as at 31 December 2013	16	16	—	—	32
Net book value					
Balance as at 31 December 2013	—	233	2,826	65	3,124

During the year ended 31 December 2011, the Enlarged Group acquired the intangible assets of Provision Communications Technologies Limited, comprising its trading name, granted patents and patents pending.

The Enlarged Group has additional capitalised development costs amounting to US$962,000 (2012: US$1,235,000, 2011: US$629,000), including employee costs of US$383,000 (2012: US$507,000, 2011: US$353,000) during the financial year ended 31 December 2013, which relate to the development of wireless transmission of high definition (HD) TV.

14 Available-for-Sale Financial Assets

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Unlisted equity securities, at cost	397	397	397
Less: Allowance for impairment losses	(389)	(389)	(389)
	8	8	8
Analysis of allowance for impairment:			
Balance as at the end of the year	389	389	389

The above unlisted equity securities are carried at cost less impairment.

(a) The Enlarged Group acquired a 16% interest in the issued share capital of Provision Communications, a company incorporated in England and Wales, with a total investment amounting to £250,000, equivalent to US$389,000. Provision Communications develops AXAR technology delivering wireless, end-to-end streaming of HDTV throughout every room in a home, or other buildings. In April 2011, Provision Communications went into liquidation and the carrying amount of the investment has now been fully impaired during the year ended 31 December 2011.

(b) The Enlarged Group acquired a 49% interest in the issued share capital of Fibre TV to Home Ltd ("FTTH"), a company incorporated in England and Wales, for US$7,955 in 2009. Fibre TV provided end to end TV Services, Digital Terrestrial TV and Digital Audio Broadcast Radio Digital TV and radio solutions for housing developments, apartment blocks and offices.

The above investment, which is an investment in associate, has not been stated on an equity basis nor is the unaudited *pro forma* financial information of FTTH being disclosed as the directors considered the investment as not material to the Enlarged Group.

15 Inventories

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Finished products	14,591	9,358	14,253
Work-in-progress	3,157	2,139	2,755
Raw materials	1,626	7,484	8,825
	19,374	18,981	25,833
Analysis of allowance for inventory obsolescence:			
Balance at the beginning of the year	3,171	3,139	2,296
Currency realignment	89	45	64
Allowance for stock obsolescence	—	33	7
Written off during the year	—	(751)	—
Write-back for the year	(121)	(170)	(308)
Balance at the end of the year	3,139	2,296	2,059

The inventories written off by the Enlarged Group in prior year was due to slow moving and obsolete inventories.

The write-back of allowance for inventory obsolescence amounting to approximately US$308,000 (2012: US$170,000, 2011: US$121,000), was a result of a change in the estimate of the future demand of the Enlarged Group's products based on a review carried out by the Board of Directors as at the year end.

16 Trade Receivables

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Trade receivables	16,443	22,315	22,975
Less: Impairment of trade receivables (Note 28(b)(ii))	(3,819)	(3,819)	(3,819)
	12,624	18,496	19,156

17 Other Receivables and Prepayments

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Other receivables			
Deposits	355	332	384
Advanced payments	327	130	505
GST/VAT receivables	316	1,354	650
Other debtors	272	304	325
Amount due from associate	77	—	—
	1,347	2,120	1,864
Prepaid expenses	300	676	635
	1,647	2,796	2,499

18 Cash and Cash Equivalents

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Cash and bank balances	19,735	17,902	13,752
Fixed deposits	2,926	2,933	910
	22,661	20,835	14,662

The fixed deposits mature on varying short-term periods and earned interest ranging from 0.05% to 0.80% per annum during the financial year ended 31 December 2013 (2012: 0.05% to 6.30% per annum, 2011: 0.05% to 1.50% per annum).

For the purpose of presentation in the unaudited *pro forma* consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Cash and bank balances	19,735	17,902	13,752
Fixed deposits	2,926	2,933	910
	22,661	20,835	14,662
Less: Restricted cash	(2,926)	(2,933)	(910)
Cash and cash equivalents per the consolidated statement of cash flows	19,735	17,902	13,752

Restricted cash includes fixed deposits amounted to US$900,000 (2012: US$2,900,000, 2011: US$2,900,000) pledged with the banks for facilities and loans granted to the Enlarged Group.

19 Share Capital

	Number of ordinary shares '000 Unaudited	Share capital US$'000 Unaudited
Issued and fully paid		
Balance at 1 January 2011	188,458	34,483
Issuance of shares	—	3
Balance at 31 December 2011	188,458	34,486
Issuance of compliance shares	41,539	10,468
Expenses on issuance of shares	—	(780)
Balance at 31 December 2012	229,997	44,174
Issuance of shares	7,805	1,942
Purchase of treasury shares	(6,000)	(955)
Balance at 31 December 2013	231,802	45,161

* The equity structure (i.e. the number of shares issued) at the date of the statement of financial position represents that of the Company, being the legal parent.

Ordinary shares of the Company do not have any par value.

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 restrictions.

Treasury Shares

The Enlarged Group held 6,000,000 treasury shares at 31 December 2013 (2012: Nil, 2011: Nil) in the Company. The treasury shares held at the years ending 31 December 2012 and 2011 relate to GIHL.

The shareholders, by an ordinary resolution passed at an Extraordinary General Meeting held on 17 September 2013 approved the Company's plan to repurchase its own ordinary shares for the adoption of the Global Invacom Share Option Scheme 2013.

During the financial year ended 31 December 2013, the Company repurchased 6,000,000 of its issued ordinary shares, from the open market at an average price of S$0.20 per share. The total consideration paid for the repurchase, including transaction costs, was S$1.2 million (equivalent to US$955,000). The shares repurchased are being held as treasury shares in accordance with Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore.

20 Reserves

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Merger reserve	(10,150)	(10,150)	(10,150)
Capital redemption reserve	6	6	6
Share options reserves (Note 24(b))	98	—	43
Capital reserve	758	1,313	1,313
Foreign currency translation reserve	735	(186)	(441)
Retained profits	511	560	8,598
	(8,042)	(8,457)	(631)

Movements in reserves for the Enlarged Group are set out in the unaudited *pro forma* consolidated statement of changes in equity.

Merger reserve

GIHL was incorporated on 7 November 2008 and on 23 February 2009 a management buyout took place of Global Invacom Limited ("GIL") whereby the entire issued share capital in GIL was transferred to GIHL. The consideration for the Enlarged Group's restructuring involving the transfer of shares amounting to US$11,748,199 and was settled as follows:

- A share for share exchange with the shareholders of Global Invacom Limited whereby Global Invacom Holdings Limited issued 354,542 ordinary £0.10 shares, with a corresponding value of US$3,802,527; and
- A payment of cash and issue of loan notes to various shareholders in Global Invacom Limited amounting to US$7,945,672.

Accordingly, the reorganisation is considered to be outside the scope of IFRS 3 and the Enlarged Group has applied the pooling of interests method to prepare the unaudited *pro forma* consolidated financial information. Assets, liabilities, income and expenditure have been brought together on a line by line basis.

Other share related transactions with entities in the Enlarged Group prior to the restructuring taking place have also been reflected in the merger reserve.

Capital reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Enlarged Group in the PRC are required to set aside a statutory reserve fund by way of appropriation of 10% of their profit after tax as reported in the PRC statutory financial statements each year.

The statutory reserve fund may be used to offset any accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the relevant PRC authorities. The appropriation is required until the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital. The statutory reserve is not available for dividend distribution to shareholders.

Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the unaudited *pro forma* financial information of group entities whose functional currency is different from that of the Enlarged Group's presentation currency.

21 Other Payables

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Accrued operating expenses	5,329	2,270	3,755
Customers advances received	88	226	206
VAT payable	—	78	299
Other creditors	1,635	1,753	1,589
Cash consideration payable	17,581	18,690	10,735
Share consideration payable (Note 12(a))	—	1,995	—
	24,633	25,012	16,584
Represented by			
Non-current	10,454	11,113	5,367
Current	14,179	13,899	11,217
	24,633	25,012	16,584
Cash consideration payable			
Non-current	10,454	11,113	5,367
Current	7,127	7,577	5,368
	17,581	18,690	10,735

The cash consideration shall be payable in the following manner:

(i) US$3.0 million (equivalent to S$3.7 million) shall be transferred into the Vendors' bank account no earlier than the 6-month anniversary of completion of the sale and purchase of the Sale Shares (''Completion'') and no later than the first anniversary of Completion;

(ii) US$4.5 million (equivalent to S$5.5 million) shall be transferred into the Vendors' bank account on the first anniversary of Completion;

(iii) US$5.5 million (equivalent to S$6.8 million) shall be transferred into the Vendors' bank account on the second anniversary of Completion;

(iv) US$5.5 million (equivalent to S$6.8 million) shall be transferred into the Vendors' bank account on the third anniversary of Completion;

for payment to the Vendors in direct proportion to each Vendor's percentage shareholding in the capital of the Company at Completion.

As at 31 December 2013, the fair value of the non-current portion of the cash consideration payable approximates its carrying amount.

22 Deferred Taxation

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Accelerated capital allowances:			
Balance at the beginning of the year	159	261	339
Acquired through business combination (Note 12(a))	—	76	—
Charge for the year	102	—	266
Currency realignment	—	2	16
Balance as at the end of the year	261	339	621

23 Borrowings

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Bank loans – current	—	615	128

The secured loans outstanding as at 31 December 2013 were secured over the subsidiaries' bank deposit of US$900,000 and corporate guarantees provided by the Company. The tenure of this short term loans is 1 – 3 months. Interest is charged at 3.65% to 3.96% (2012: 2.47% to 3.70%, 2011: Nil) per annum during the financial year. The loans were subsequently repaid in full in February 2014.

24 Employee Benefits

(a) Staff Costs

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Salaries, bonuses and related costs (including executive directors)	17,990	18,105	21,687
Defined contribution plans	1,685	2,374	3,121
Staff welfare benefits	25	21	43
	19,700	20,500	24,851

(b) Employee Share Options

Pursuant to a resolution passed in the Extraordinary General Meeting held on 17 September 2013, the Global Invacom Share Option Scheme 2013 (the "2013 Scheme") was adopted whereby it may grant options to executive and non-executive directors (including independent directors) and employees of the Enlarged Group who have contributed significantly to the success and development of the Enlarged Group to subscribe for shares of the Company. The 2013 Scheme replaced the Global Invacom Group Employee Share Option Scheme of the Enlarged Group which was adopted on 15 June 2012 (the "2012 Scheme") and the Enterprise Management Incentive Share Option Scheme (the "EMI Scheme"). An expense of US$43,000 (2012: US$21,000, 2011: US$25,000) has been included in the administrative expenses for the year ended 31 December 2013 with a corresponding credit to the share option reserve (Note 20), and where it relates to key management, has been included in their remuneration disclosed in Note 24(a) above.

Details of the schemes are as follows:

(i) 2013 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the 2013 Scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 26 August 2013. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share options were granted to replace the 2012 Scheme options, with the S$1.00 consideration waived:

1.1.2013	Granted	Exercised/ Lapsed	31.12.2013	Exercise price	Exercise period
—	2,007,000	(65,000)	1,942,000	S$0.17	7 July 2016 to 6 July 2023
—	2,007,000	(65,000)	1,942,000	S$0.17	7 July 2017 to 6 July 2023
—	230,000	—	230,000	S$0.20	21 August 2016 to 20 August 2023
—	230,000	—	230,000	S$0.20	21 August 2017 to 20 August 2023
—	4,474,000	(130,000)	4,344,000		

The weighted average fair value of the share options granted during the financial year is S$0.088. Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioral considerations. Expected volatility is based on the competitors' historical share price volatility. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after vesting date when the share price was 50% above the level as at the date of grant.

	Options granted during the year ended 31 December 2013 (unaudited)	
Grant date	7 July 2013	21 August 2013
Grant date share price (S$)	0.161	0.191
Exercise price (S$)	0.170	0.200
Expected volatility	90%	90%
Option life (years)	6.85	6.86
Expected dividend yield	2.5%	2.5%
Risk-free interest rate	2.43%	2.29%

The following table lists the movements in the weighted average values as follows:

	2013 Number (Unaudited)	Weighted average exercise price (Unaudited)
Replacement options granted	4,474,000	S$0.17
Exercised	—	—
Lapsed	(130,000)	S$0.17
Outstanding at 31 December	4,344,000	S$0.17
Weighted average remaining contractual life in years	9.5 years	

The above options granted under the 2012 Scheme continue to be effective and exercisable according to the terms and conditions of the 2013 Scheme. The options under the 2012 Scheme were replaced by the same number of options under the 2013 Scheme and were therefore outstanding at the beginning of 2013. No share options were granted under the 2013 Scheme during the financial year ended 31 December 2013.

(ii) 2012 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under this scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 16 May 2012. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The 2012 Scheme was terminated on 17 September 2013 and replaced by the 2013 Scheme.

(iii) EMI Scheme

GIHL adopted the rules of a qualifying the EMI Scheme with the sanction of shareholders for directors and other employees. Where agreement has been sought the options outstanding will be satisfied by Vistra Corporate Services Ltd as Trustee of the Global Invacom Limited Employee Benefit Trust.

Options over 24,825 ordinary shares of £0.10 each were exercised during the year ended 31 December 2012 which settled through the Global Invacom Limited Employee Benefit Trust. The weighted average share price (at the date of exercise) of options exercised during the period was £7.56. Accelerated vesting of options over 4,600 ordinary shares occurred up to fourteen days prior to the sale of GIHL. As a result of the sale conditions, all option holders exercised their right over the full amount of ordinary shares under option. The fair value of share options granted is estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. No share options were granted during 2012.

At 31 December 2012, no rights to options over ordinary shares of £0.10 each of the Company were outstanding as a result of the reverse acquisition. According to the terms of the EMI Scheme and the individual option agreements, the remaining unvested options vested automatically at that time.

(c) Performance Share Plan

The Global Invacom Performance Share Plan 2013 ("the Global Invacom PSP") was approved by the members of the Company at an Extraordinary General Meeting held on 17 September 2013. The primary objectives of the Global Invacom PSP are to increase the Enlarged Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff.

The Global Invacom PSP is administered by the Remuneration Committee ("RC") and shall continue to be in force at the discretion of the RC, subject to a maximum of 10 years commencing from 17 September 2013. Any awards of shares granted pursuant to the rules of the Global Invacom PSP ("Award") made to participants prior to such expiry or termination will continue to remain valid.

A participants' Award under the Global Invacom PSP will be determined at the sole discretion of the RC. In considering an Award to be granted to a participant, the RC may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Global Invacom PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the Award. No minimum vesting periods are prescribed under the Global Invacom PSP, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis.

Since the commencement of the Global Invacom PSP up to the end of the financial year, no share Awards have been granted.

25 Related Party Transactions

Parties are considered to be related if an individual or a close member of that individual's family has the ability, directly or indirectly, to control the Enlarged Group entities, exercise significant influence over the Enlarged Group entities in making financial and operating decisions, or is a member of the key management personnel of the Enlarged Group entities. Parties are also considered to be related if they are subject to common control or common significant influence and a person who has significant influence over the entity or is a member of the key management personnel of the entity. Related parties may be individuals or corporate entities.

The following transactions took place between the Enlarged Group and related parties during the financial year at terms agreed between the parties:

Compensation of directors and key management

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Salaries, bonuses and related costs	1,950	1,616	2,194
Directors' fees	111	247	224
Defined contribution plans	62	118	384
Share-based payments	—	—	25
	2,123	1,981	2,827
Comprise amounts paid/payable to:			
– Directors of the Company	1,239	1,234	1,211
– Other key management	884	747	1,616
	2,123	1,981	2,827

26 Commitments

Operating lease commitment

As at 31 December 2013, the Enlarged Group had entered into several operating lease commitments for factory buildings and office premises. These leases have an average lease life of between 1 and 5 (2012: 1 and 5, 2011: 1 and 5) years with no restrictions placed upon the Enlarged Group by entering into these leases. The leases have varying terms, escalation clauses and renewal rights.

At the end of the financial year, the future minimum rentals payable under non-cancellable operating leases are as follows:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Future minimum lease payments:			
Within 1 year	561	1,635	1,588
Between 2 to 5 years	547	2,571	1,605
After 5 years	28	1,288	410

27 Segment Information

The business of the Enlarged Group is organised into the following product segments:

- Satellite Communications ("Sat Comms")
- Contract Manufacturing ("CM")

For management purposes, the Enlarged Group is organised into business segments based on their products as the Enlarged Group's risks and rates of return are affected predominantly by differences in the products produced. Each product segment represents a strategic business unit and management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

The accounting policies of the reportable segments are the same as the Enlarged Group's accounting policies discussed in Note 2. Segment results represent the profit earned by each segment without allocation of finance income/costs and taxation. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprised mainly corporate assets and liabilities, borrowings and income tax. Segment revenue includes transfers between operating segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods. The transfers are eliminated on consolidation. No operating segments have been aggregated to form the following reportable operating segments.

(a) Reportable Operating Segments

	Sat Comms US$'000 Unaudited	CM US$'000 Unaudited	Enlarged Group US$'000 Unaudited
2011			
Revenue	66,069	44,544	110,613
Operating profit	6,093	6,106	12,199
Finance income			76
Finance costs			(62)
Income tax expense			(3,432)
Profit for the year			8,781
Amortisation of intangible assets	4	—	4
Depreciation of property, plant and equipment	962	415	1,377
Addition to property, plant and equipment	2,522	291	2,813
Addition to intangible assets	894	—	894
Write-back of inventory obsolescence	(76)	(45)	(121)
Assets and liabilities			
Segment assets	22,718	22,833	46,551
Unallocated assets			
– Non-current assets			84
– Other receivables			574
– Cash and cash equivalents			15,657
Total assets			62,866
Segment liabilities	5,770	4,696	10,466
Unallocated liabilities			
– Other payables			24,633
– Deferred taxation			261
– Provision for income tax			1,062
Total liabilities			36,422

	Sat Comms US$'000 Unaudited	CM US$'000 Unaudited	Enlarged Group US$'000 Unaudited
2012			
Revenue	61,845	23,688	85,533
Operating loss	(76)	(612)	(688)
Finance income			204
Finance costs			(51)
Income tax credit			769
Profit for the year			234
Amortisation of intangible assets	6	—	6
Depreciation of property, plant and equipment	928	639	1,567
Addition to property, plant and equipment	1,133	160	1,293
Addition to intangible assets	1,235	—	1,235
Write-back of inventory obsolescence	(62)	(108)	(170)
Allowance for inventory obsolescence	33	—	33
Assets and liabilities			
Segment assets	45,901	12,895	58,796
Unallocated assets			
– Non-current assets			113
– Other receivables			251
– Tax receivable			632
– Cash and cash equivalents			13,645
Total assets			73,437
Segment liabilities	9,932	5,737	15,669
Unallocated liabilities			
– Other payables			21,097
– Borrowings			615
– Deferred taxation			339
Total liabilities			37,720

	Sat Comms US$'000 Unaudited	CM US$'000 Unaudited	Enlarged Group US$'000 Unaudited
2013			
Revenue	92,878	22,872	115,750
Operating profit	8,030	1,211	9,241
Finance income			40
Finance costs			(7)
Income tax expense			(1,236)
Profit for the year			8,038
Amortisation of intangible assets	6	—	6
Impairment of intangible assets	16	—	16
Depreciation of property, plant and equipment	1,205	230	1,435
Addition to property, plant and equipment	1,593	810	2,403
Addition to intangible assets	962	—	962
Write-back of inventory obsolescence	(14)	(294)	(308)
Allowance for inventory obsolescence	7	—	7
Assets and liabilities			
Segment assets	62,131	13,105	75,236
Unallocated assets			
– Non-current assets			79
– Other receivables			227
– Cash and cash equivalents			3,538
Total assets			79,080
Segment liabilities	16,415	5,411	21,826
Unallocated liabilities			
– Other payables			10,962
– Borrowings			128
– Provision for income tax			1,013
– Deferred taxation			621
Total liabilities			34,550

(b) **Geographical Information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	America US$'000 Unaudited	Europe US$'000 Unaudited	Asia US$'000 Unaudited	Rest of the World US$'000 Unaudited	Enlarged Group US$'000 Unaudited
2011					
Total revenue from external customers	72,298	27,998	8,367	1,950	110,613
Non-current assets	—	3,700	2,860	—	6,560
2012					
Total revenue from external customers	50,932	23,523	3,641	7,437	85,533
Non-current assets	—	9,114	2,583	—	11,697
2013					
Total revenue from external customers	57,991	26,559	26,240	4,960	115,750
Non-current assets	—	13,292	3,638	—	16,930

(c) **Information about Major Customers**

Included in revenue arising from the Sat Comms and CM segments are sales of approximately US$82,378,000 (2012: US$56,738,000, 2011: US$85,991,000) which are sales to the Enlarged Group's 5 (2012: 5, 2011: 5) largest customers (of which the largest single customer accounts for 42% (2012: 44%, 2011: 40%) of total revenue).

28 Financial Risk Management

The Enlarged Group's activities expose it to a variety of market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Enlarged Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Enlarged Group's financial performance. The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Enlarged Group. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

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

(a) **Market Risk**

(i) Currency risk

Certain of the Enlarged Group's transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Renminbi ("RMB"), Hong Kong Dollar ("HKD"), Sterling and Malaysia Ringgit ("MYR"). As a result, the Enlarged Group is exposed to movements in foreign currency exchange rates. The Enlarged Group does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions.

The Enlarged Group is also exposed to currency translation risk arising from its net investments in foreign subsidiaries.

The Enlarged Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000 Unaudited	SGD US$'000 Unaudited	RMB US$'000 Unaudited	HKD US$'000 Unaudited	Sterling US$'000 Unaudited	MYR US$'000 Unaudited	Others US$'000 Unaudited	Total US$'000 Unaudited
2011								
Financial assets								
Cash and cash equivalents	17,065	226	4,178	28	775	—	389	22,661
Trade receivables	11,072	—	55	—	1,388	—	109	12,624
Other receivables	130	113	169	—	292	—	—	704
	28,267	339	4,402	28	2,455	—	498	35,989
Financial liabilities								
Trade and other payables	(10,525)	(18,613)	(3,850)	(241)	(1,693)	—	(89)	(35,011)
Net financial assets/(liabilities)	17,742	(18,274)	552	(213)	762	—	409	978
Less:								
Net financial assets/ (liabilities) denominated in the Enlarged Group's entities functional currency	(19,068)	18,161	(3,633)	—	—	—	—	(4,540)
Currency exposure	(1,326)	(113)	(3,081)	(213)	762	—	409	(3,562)
2012								
Financial assets								
Cash and cash equivalents	6,975	7,510	4,197	53	2,026	31	43	20,835
Trade receivables	13,572	—	57	—	3,226	1,332	309	18,496
Other receivables	130	73	183	—	243	7	—	636
	20,677	7,583	4,437	53	5,495	1,370	352	39,967
Financial liabilities								
Trade and other payables	(9,407)	(19,084)	(3,563)	(143)	(4,043)	(218)	(4)	(36,462)
Borrowings	(615)	—	—	—	—	—	—	(615)
	(10,022)	(19,084)	(3,563)	(143)	(4,043)	(218)	(4)	(37,077)
Net financial assets/(liabilities)	10,655	(11,501)	874	(90)	1,452	1,152	348	2,890
Less:								
Net financial assets/ (liabilities) denominated in the Enlarged Group's entities functional currency	(9,640)	13,368	(3,632)	—	—	(1,152)	—	(1,056)
Currency exposure	1,015	1,867	(2,758)	(90)	1,452	—	348	1,834
2013								
Financial assets								
Cash and cash equivalents	7,929	568	462	43	1,312	4,141	207	14,662
Trade receivables	13,636	—	15	—	3,953	1,539	13	19,156
Other receivables	164	58	213	—	227	41	6	709
	21,729	626	690	43	5,492	5,721	226	34,527
Financial liabilities								
Trade and other payables	(12,651)	(10,970)	(4,390)	(114)	(3,286)	(864)	(8)	(32,283)
Borrowings	(128)	—	—	—	—	—	—	(128)
	(12,779)	(10,970)	(4,390)	(114)	(3,286)	(864)	(8)	(32,411)
Net financial assets/(liabilities)	8,950	(10,344)	(3,700)	(71)	2,206	4,857	218	2,116
Less:								
Net financial assets/ (liabilities) denominated in the Enlarged Group's entities functional currency	(8,860)	10,486	—	—	—	(4,857)	—	(3,231)
Currency exposure	90	142	(3,700)	(71)	2,206	—	218	(1,115)

If the SGD, RMB, HKD, Sterling and MYR changed against the USD by 5% with all other variables, including tax rates, being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	Increase/(Decrease)		
	Profit after tax 2011 US$'000 Unaudited	**Profit after tax 2012 US$'000 Unaudited**	**Profit after tax 2013 US$'000 Unaudited**
SGD against USD			
– strengthened	(6)	93	7
– weakened	6	(93)	(7)
RMB against USD			
– strengthened	(154)	(138)	(185)
– weakened	154	138	185
HKD against USD			
– strengthened	(11)	(5)	(4)
– weakened	11	5	4
Sterling against USD			
– strengthened	38	73	110
– weakened	(38)	(73)	(110)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Enlarged Group's financial instruments will fluctuate because of changes in market interest rates. The Enlarged Group's exposure to interest rate risk arises primarily from its borrowings. Information relating to the Enlarged Group's interest rate exposure is disclosed in Note 23 on the Enlarged Group's borrowings.

The Enlarged Group usually obtains additional financing through bank borrowings and its policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks for better yield returns than cash at banks and/or to satisfy conditions for banking facilities granted to the Enlarged Group.

The sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Enlarged Group's profit after tax has not been disclosed as the Enlarged Group's exposure to changes in market interest rates is not significant.

(b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Enlarged Group. For trade receivables, the Enlarged Group adopts the policy of dealing only with customers with an appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Enlarged Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on an ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level and at the Enlarged Group level by management. Where appropriate, the Enlarged Group obtains advance payments from its major customers.

The Enlarged Group has a significant concentration of credit risk from its trade receivables as approximately 66.9% (2012: 67.8%, 2011: 77.1%) of the trade receivables outstanding as at the end of the financial year are owing from not more than 5 (2012: not more than 5, 2011: not more than 5) customers.

As the Enlarged Group does not hold any material collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the unaudited *pro forma* statement of financial position.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
By Geographical Areas			
America	5,567	8,130	7,609
Europe	5,452	7,063	6,108
Asia	1,601	3,242	3,622
Rest of the World	4	61	1,817
	12,624	18,496	19,156

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables of the Enlarged Group that are neither past due nor impaired are, substantially companies with a good collection track record with the Enlarged Group. Trade receivables of the Enlarged Group that are neither past due nor impaired is as follow:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Trade receivables:			
– Not past due and not impaired	9,220	9,563	12,929

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. The age analysis of the Enlarged Group's trade receivables past due as at the date of the unaudited *pro forma* statement of financial position but not impaired is as follows:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Trade receivables past due:			
– 0 to 60 days	3,402	8,267	5,414
– Over 61 days	2	666	813
	3,404	8,933	6,227

The Enlarged Group's trade receivables that are impaired at the date of the unaudited *pro forma* statement of financial position and the movement of the allowance account used to record the impairment is as follows:

	2011 US$'000 Unaudited	2012 US$'000 Unaudited	2013 US$'000 Unaudited
Trade receivables	16,443	22,315	22,975
Less: Allowance for impairment	(3,819)	(3,819)	(3,819)
	12,624	18,496	19,156
Balance at the beginning and end of the year (Note 16)	3,819	3,819	3,819

Trade receivables that are individually determined to be impaired at the reporting date relate to one debtor that has filed for bankruptcy in a prior financial year. This receivable is not secured by any collateral or credit enhancements.

(c) Liquidity Risk

Liquidity risk is the risk that the Enlarged Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Enlarged Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Enlarged Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In the management of its liquidity risk, the Enlarged Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Enlarged Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Enlarged Group's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount US$'000 Unaudited	Contractual cash flow US$'000 Unaudited	Less than 1 year US$'000 Unaudited	Between 2 to 5 years US$'000 Unaudited
2011				
Trade and other payables	35,011	35,011	24,557	10,454
2012				
Trade and other payables	36,462	36,462	25,349	11,113
Borrowings	615	615	615	—
	37,077	37,077	25,964	11,113
2013				
Trade and other payables	32,283	32,343	26,916	5,367
Borrowings	128	128	128	—
	32,411	32,471	27,044	5,367

(d) Capital Risk

The Enlarged Group's objectives when managing capital are to safeguard the Enlarged Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The Enlarged Group manages its capital structure, and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Enlarged Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2013, 2012 and 2011.

As disclosed in Note 20, the Enlarged Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the relevant subsidiaries for the financial years ended 31 December 2013, 2012 and 2011.

The Enlarged Group monitors capital using a net-debt-to-equity ratio, which is net debt divided by total equity. In general, the Enlarged Group's policy is to keep the ratio within 50%. The Enlarged Group includes within net debt, borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company.

	2011 **US$'000** **Unaudited**	**2012** **US$'000** **Unaudited**	**2013** **US$'000** **Unaudited**
Borrowings	—	615	128
Trade and other payables	35,011	36,766	32,788
Less: Cash and cash equivalents	(22,661)	(20,835)	(14,662)
Net debt	12,350	16,546	18,254
Equity attributable to the equity holders of the Company	26,444	35,717	44,530
Net-debt-to-equity ratio	46.7%	46.3%	41.0%

29 Financial Instruments

(a) Fair Value Financial Instruments

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from discounted cash flow models and option pricing models as appropriate.

The following table presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair Value Hierarchy

(i) Fair value of the Enlarged Group's financial assets that are measured at fair value on a recurring basis.

	Level 1 **US$'000** **Unaudited**	**Level 2** **US$'000** **Unaudited**	**Level 3** **US$'000** **Unaudited**	**Total** **US$'000** **Unaudited**
2011				
Available-for-sale financial assets	—	—	8	8
2012				
Available-for-sale financial assets	—	—	8	8
2013				
Available-for-sale financial assets	—	—	8	8

The Enlarged Group's available-for-sale financial assets which are carried at cost are classified as level 3 of fair value hierarchy as fair value cannot be measured reliably since these investments are not quoted on any market and do not have a comparable industry peer that is listed. The Enlarged Group does not intend to dispose of these investments in the foreseeable future.

(ii) Fair value of the Enlarged Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, borrowings, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

The carrying amounts of non-current portion of other payables (Note 21) to the unaudited *pro forma* financial information are reasonable approximation of their fair values.

30 Dividends

For the financial year ended 31 December 2013, the directors of the Company propose a final tax-exempt (one-tier) dividend of 0.50 Singapore cent per share to the Company's shareholders (2012: Nil, 2011: 0.57 Singapore cent).

31 Contingent Liabilities

Alleged Payroll Tax Avoidance in England and Wales

The Waveguide Solution Limited ("TWS") has an ongoing issue relating to employment taxes which arose via a scheme in place prior to the acquisition by the Enlarged Group. Under the terms of the sale and purchase agreement between the previous owners of TWS and Global Invacom Group Limited, any potential liabilities that arise relating to employment taxes will be reimbursed by the previous owners of TWS. The directors are currently unable to quantify the potential tax liability for the Enlarged Group in respect of this matter, in the event that amounts are not recovered from the previous owners.

Under the terms of the sale and purchase agreement an amount was agreed to be held in escrow until the six month and twelve month anniversary of the completion of the purchase. However, the previous owners have agreed to the funds remaining in escrow until such time as the ongoing issue relating to employment taxes is resolved.

Ongoing supplier claim

Subsequent to the year end the Group has received a claim from a supplier in relation to alleged unlawful termination of a Framework agreement and Equipment Hire agreement. The Directors strongly refute the claim and have filed a defence and counter claim. The dispute remains at an early stage and the Directors are of the opinion that the likely outcome cannot be reliably measured at this time. Further to this the Directors consider that the maximum liability under the Framework agreement should be limited to £250,000 (approximately US$425,203) pursuant to clause 14.4 of the Framework agreement. Liability in relation to the Equipment Hire agreement should be in the region of £62,500 (approximately US$106,300).

32 Events after the Reporting Period

On 4 February 2014, the Company announced that it intends to pursue a secondary flotation of its ordinary shares on the AIM Market of the London Stock Exchange to raise additional capital for future expansion and other business plans.

33 Nature of Unaudited Pro Forma Financial Information

The unaudited *pro forma* financial information presented above does not constitute statutory financial statements for the period under review.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors, whose names and functions are set out on page 6 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company was incorporated and registered in Singapore on 25 March 2002 under the Singapore Act as a public company limited by shares with registration number 200202428H. The Company was incorporated with the name Radiance Electronics Pte. Ltd. and changed its name to Global Invacom Group Limited on 5 July 2012.

2.2 The registered office and principal place of business of the Company is 8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988 and its telephone number is +65 6884 8270. The address of the Company's website on which the information required by Rule 26 of the AIM Rules is available is www.globalinvacom.com.

2.3 The principal legislation under which the Company operates is the Singapore Act and regulations made under the Singapore Act.

2.4 The Company is domiciled in Singapore.

2.5 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

2.6 The principal activity of the Company is that of an investment holding company. The principal activities of the Group are the design and manufacture of products for the reception, transmission and distribution of signals via satellite.

3. The Group

3.1 The Company is the ultimate holding company of the Group and has the following subsidiary undertakings:

Name	Country of incorporation	Principal activity	Percentage owned
Global Invacom Holdings Limited	UK	Investment holding	100% (direct)
Global Invacom Manufacturing Pte Ltd	Singapore	Trading and investment holding	100% (direct)
Global Invacom Sdn Bhd	Malaysia	Trading and manufacturing	100% (direct)
Radiance Cayman Ltd	Cayman Islands	Marketing and promotion	100% (direct)
Radiance Electronics (Shenzhen) Co., Ltd	PRC	Electronics manufacturing services	100% (direct)
GI Provision Limited	UK	Design and sales of HD video transmission and reception technology	100% (indirect)
Global Invacom Limited	UK	Design of products for reception and transmission of satellite signals	100% (indirect)
Global Invacom Manufacturing (Shanghai) Co., Ltd	PRC	Electronics manufacturing services	100% (indirect)

Name	Country of incorporation	Principal activity	Percentage owned
Global Invacom Manufacturing (UK) Limited	UK	Manufacture and supply of antennas and related products	100% (indirect)
Invacom Holdings Limited	UK	Dormant	100% (indirect)
Invacom Limited	UK	Dormant	100% (indirect)
Invacom Systems Limited	UK	Dormant	100% (indirect)
The Waveguide Solution Limited	UK	Design and manufacture of microwave and waveguide components and applications	100% (indirect)
Fibre TV to Home Limited	UK	Fibre TV installations	49% (indirect)

3.2 Save as disclosed in paragraph 3.1 above, there are no undertakings in which the Company holds a proportion of the capital that is likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses.

4. Share capital

4.1 The history of the Company's share capital since 1 January 2011 is as follows:

(a) on 26 June 2012, the Company consolidated every four (4) existing shares in the share capital of the Company into one (1) consolidated share, rounded down to the nearest whole consolidated share with any fractions of shares arising from the share consolidation disregarded;

(b) on 5 July 2012, as part payment for the acquisition of Global Invacom Holdings Limited, the Company allotted and issued 122,515,189 Ordinary Shares to the vendors and an escrow agent;

(c) on 18 September 2012, the Company allotted and issued 41,539,000 Ordinary Shares to placees pursuant to a compliance placement exercise; and

(d) on 1 March 2013, as part payment for the acquisition of The Waveguide Solution Limited, the Company allotted and issued 4,803,239 Ordinary Shares and 3,002,025 Ordinary Shares to Michael Jackson and Benjamin Cartridge respectively.

4.2 By an ordinary resolution of the Company passed on 26 June 2014, it was resolved in accordance with the Singapore Act to authorise the Directors generally and unconditionally to exercise all powers of the Company to allot such number of Ordinary Shares that would allow the Company to raise up to $15 million at a price per Ordinary Share between SGD0.35 and SGD0.60 in connection with the Placing.

4.3 On 26 June 2014, the Directors resolved to allot, conditional upon Admission, 44,600,000 new Ordinary Shares pursuant to the Placing.

4.4 The issued and fully paid share capital of the Company as at the date of this document and as it is expected to be immediately following Admission is as follows:

Ordinary Shares	Number	Issued and paid-up share capital (US$)
As at the date of this document	237,802,299 (including 5,970,000 treasury shares)	45,161,000
Immediately following Admission	282,402,299 (including 5,970,000 treasury shares)	59,411,000

The number of issued Ordinary Shares as at 31 January 2013 was 229,997,039. The number of issued Ordinary Shares as at 31 December 2013 was 237,802,299 (including 6,000,000 treasury shares).

4.5 The Company does not have an authorised share capital.

4.6 A total of 44,600,000 Placing Shares will be issued pursuant to the Placing. This will result in an increase of 15.8 per cent to the existing issued share capital of the Company and a dilution to the interests in the Company of the holders of Existing Ordinary Shares of 6.3 per cent.

4.7 The Placing Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid on the Ordinary Shares after Admission.

4.8 The Ordinary Shares in issue on Admission will be in registered form and, following Admission, may be held either in certificated form or in uncertificated form. The records in respect of Ordinary Shares held in uncertificated form will be maintained by CDP. The UK Depositary will maintain a record of those persons holding Depositary Interests.

4.9 It is expected that, where appropriate, share certificates in respect of Placing Shares and Sale Shares will be despatched by post within 14 days of the date of Admission. Temporary documents of title will not be issued and holders of certificated shares will not be able to register a transfer of their shares without their share certificates.

4.10 None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission.

4.11 The legislation under which the Ordinary Shares have been created is the Singapore Act and regulations made under the Singapore Act.

4.12 The Ordinary Shares are denominated in Singapore dollars. The Ordinary Shares have no par value. The Ordinary Shares are in registered form and will, on Admission, be capable of being held in uncertificated form through Depositary Interests.

4.13 The International Securities Identification Number or ISIN for the Ordinary Shares is SG2E91982768.

4.14 The Ordinary Shares are not redeemable. However, the Company may, subject to the requirements of the Singapore Act, purchase any of the Ordinary Shares on or off-market. The Company may purchase Ordinary Shares only out of the Company's capital and/or distributable profits that are available for payment as dividends so long as the Company is solvent.

4.15 Save as disclosed in this paragraph 4 or in paragraphs 7 and 10 of this Part IV:

(a) no shares in the capital of the Company have been issued otherwise than as fully paid;

(b) the Company does not have in issue any shares not representing capital;

(c) the Company does not hold any treasury shares and no shares in the capital of the Company are held by or on behalf of any member of the Group;

(d) the Company does not have in issue any convertible securities, exchangeable securities or securities with warrants;

(e) there are no acquisition rights and/or obligations over any unissued shares in the capital of the Company and no undertaking has been given by the Company to increase its issued share capital; and

(f) no share or loan capital of any member of the Group is under option or has been agreed, I: 21.1.6
conditionally or unconditionally, to be put under option.

4.16 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5. Articles of Association

The Articles, which were adopted by a special resolution passed on 26 June 2014, contain, amongst others, provisions to the following effect:

5.1 Limited liability I: 21.1.6

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

5.2 **Unrestricted Objects**

Subject to the provisions of the Singapore Act and any other written law and the Memorandum and Articles of Association of the Company, the Company has (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and (b) for the purposes of paragraph (a) above, full rights, powers and privileges.

5.3 **Share Rights**

Rights of different classes of shares

Subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Board may determine. Subject to any rights attached to any existing shares, the Company may also issue shares which are to be redeemed or which, at the option of the Company or the holder, are liable to be redeemed. The Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

Voting rights

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

(a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if he has been instructed to vote in different ways on the resolution); and

(b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which he is the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by him to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Singapore Act, whether or not the Company is being wound up, only be varied with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third of the issued shares of the relevant class.

Transfer of shares

A member may transfer all or any of his shares which are in certificated form by an instrument of transfer which must be delivered to the registered office of the Company (or such other place as the Board determines) accompanied by the certificates of the shares to be transferred. The instrument of transfer must be signed by or on behalf of the transferor and the transferee and must be witnessed. A member may transfer all or any of his shares which are in uncertificated form and are traded on the SGX-ST by means of a book-entry in the register maintained by CDP in accordance with the Singapore Act. A member may transfer all or any of his Depositary Interests representing Ordinary Shares, which are traded on AIM, by means of a relevant system in accordance with the CREST Regulations.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien.

The Board may refuse to register a transfer of a certificated share unless:

(a) in the case of registered transfers, such fee not exceeding S$2 (or such other sum as may be prescribed or approved by the SGX-ST from time to time) as the Board may from time to time require, is paid to the Company for the registration of each transfer (except that CDP shall not be liable to pay any fee in respect of the registration of a transfer);

(b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(c) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the registered office or at such other place (if any) as the Board appoints accompanied by the certificates of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one class of share.

The Board may refuse to register a transfer of a Depositary Interest representing an Ordinary Share in the circumstances set out in the CREST Regulations or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "*Suspension of rights attaching to shares*" below, the Articles contain no restrictions on the free transferability of fully paid shares.

Disclosure of voting rights

Without prejudice to and in addition to any obligation to disclose under Singapore law and the listing rules of the SGX-ST, a person must notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds directly or indirectly as a shareholder or through his direct or indirect holding of financial instruments as set out in the Disclosure and Transparency Rules (or a combination of such holdings):

(a) reaches, exceeds or falls below 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10% and each 1% threshold thereafter up to 100%; or

(b) reaches, exceeds or falls below an applicable threshold set out in paragraph (a) above as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the requirements of the Disclosure and Transparency Rules (or in accordance with requirements which are treated as equivalent to those set out in the Disclosure and Transparency Rules).

The notification to the Company shall be effected without delay but in any event no later than two trading days after the date on which the relevant person:

(a) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or

(b) is informed about the event mentioned in paragraph (b) above.

Issue of Shares

The Company may by ordinary resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to issue shares in the capital of the Company whether by way of rights, bonus or otherwise.

Pre-emption rights

Subject to any direction to the contrary that may be given by the Company in general meeting, or except as permitted under the listing rules of the SGX-ST, all new shares shall before issue be offered to the Shareholders in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled to hold.

Dividends

The Board may, with the sanction of the Company, by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall be payable except out of the profits of the Company and no dividend shall exceed the amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company justify such payments, the Board may declare and pay interim dividends on shares of any class of such amounts and on such dates as the Board thinks fit.

Subject to the rights of holders of shares with special rights as to dividend (if any) and except as otherwise permitted under the Singapore Act, all dividends shall be declared and paid in proportion to the number of shares held by a member, but where shares are partly paid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the party paid shares. For this purpose, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid *pro rata* according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.

No dividend payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of six years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may offer holders of Ordinary Shares the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend as the Board may think fit.

Distribution of assets on winding up

If the Company is wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the authority of a special resolution of the Company, divide among the members in specie or kind the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, may transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

Depositary interests

The Directors shall, subject always to any applicable laws and regulations, the facilities and requirements of any relevant system concerned and the Articles, have power to implement and/or approve any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of interest in shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities.

Delisting

The Company may voluntarily delist from any stock exchange upon which shares in the Company may be listed, subject to its compliance with the provisions of the listing rules of such stock exchange upon which shares in the Company are listed.

5.4 **Shareholder Meetings**

Annual general meetings

Subject to the provisions of the Singapore Act, the Company shall in each year hold a general meeting in addition to any other meetings in that year to be called the annual general meeting, and not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine.

Calling of general meetings

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of members under the Singapore Act, call a general meeting in accordance with the requirements of the Singapore Act.

Notice of general meetings

Subject to the provisions of the Singapore Act (including those regarding the calling of general meetings at short notice) and the listing rules of the SGX-ST, any general meeting at which it is proposed to pass a special resolution or a resolution of which special notice has been given to the Company, shall be called by 21 days' notice at least and any other general meeting by 14 days' notice at least (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given).

Every notice calling a general meeting shall specify the place and the day and the hour of the meeting and be given in a manner hereinafter mentioned to such persons (including the auditors) as are under the provisions of the Articles and the Singapore Act entitled to receive such notices of general meetings from the Company.

The accidental omission to given notice to, the non-receipt by any person entitled thereto or the calling of a general meeting at short notice, shall not invalidate the proceedings at any general meeting.

Every notice calling a general meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a member of the Company.

Quorum

No business is to be transacted at any general meeting unless a quorum is present at the time the meeting proceeds to business. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

Method of voting

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless a poll is required by the listing rules of the SGX-ST or (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

Voting rights of Members

Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, each member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation or a limited liability partnership) by a representative. On a show of hands every member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a member is represented by two proxies, only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and on a poll, every member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents.

Chairman's casting vote

Subject to the Singapore Act and the requirements of the SGX-ST, in the case of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a member or as proxy of a member.

5.5 **Directors**

Number and appointment of Directors

Subject to the Singapore Act, the number of Directors, all of whom shall be natural persons, shall not be less than two. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification, but subject to the provisions of the Singapore Act he shall not be of or over the age of 70 years at the date of his appointment.

Retirement of Directors

Subject to the Singapore Act, at each annual general meeting at least one third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation, provided that all Directors shall retire from office at least once every three years but shall be eligible for re-election.

The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment or have been in office for three years since their last election.

However as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Removal of a Director by resolution of the Company

In accordance with the Singapore Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

Vacation of office

The Articles provide for the office of a Director to be vacated in the following circumstances:

(a) if he is prohibited from being a Director by reason of any order made under the Singapore Act;

(b) if he ceases to be a Director by virtue of any of the provisions of the Singapore Act;

(c) subject to the provisions of the Singapore Act, if he resigns by notice in writing to the Company;

(d) if a receiving order is made against him or if he suspends payments or makes any arrangement or compounds with his creditors generally;

(e) if he should be found lunatic or becomes of unsound mind or bankrupt during his term of office;

(f) if he absents himself from meetings of the Directors for a continuous period of six months without leave from the Directors and the Directors resolve that his office be vacated;

(g) if he is removed by a resolution of the Company in general meeting pursuant to the Articles or the Singapore Act; or

(h) subject to the provisions of the Singapore Act, at the conclusion of the annual general meeting commencing next after he attains the age of 70 years.

Alternate directors

Any Director of the Company may at any time appoint any person who is not a Director or an alternate of another Director and who is approved by a majority of his co-Directors to be his alternate director and may at any time remove any such alternate director from office. An alternate director so appointed shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. Any fee paid to an alternate director shall be deducted from the remuneration otherwise payable to his appointer.

Directors' remuneration and expenses

The fees of the Directors shall be determined from time to time by the Company in general meeting and such fees shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office.

Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine without the approval of the members in general meeting.

The remuneration in the case of a Director other than an executive Director shall be payable by a fixed sum and shall not at any time be by commission on or a percentage of the profits or turnover, and no Director whether an executive Director or otherwise shall be remunerated by a commission on or percentage of turnover.

The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors.

Pensions and other benefits

Subject to the Act, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

Borrowing powers

The Board may raise, borrow or secure the repayment of all such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular, by the issue of debentures or debenture stock of the Company, perpetual or otherwise, charged upon or by mortgage charge or lien of and on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being, or by making, accepting, endorsing or executing any promissory notes or bills of exchange.

Proceedings of the Directors

The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meetings as they think fit. Unless otherwise determined, any two Directors for the time being appointed to the Board of Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the chairman of the meeting shall have a second or casting vote provided always that the chairman of a meeting where: (i) two Directors are required to form a quorum and only such a quorum is present; and/or (ii) only two Directors are competent to vote on the question at issue, shall not have a second or casting vote.

Resolutions in Writing

A resolution in writing signed or approved by a majority of the Directors for the time being (who are not prohibited by the law or the Articles from voting on such resolutions) and constituting a quorum shall be as effective as a resolution passed at a meeting of the Directors duly convened and held.

Powers of Directors to contract with Company

No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Singapore Act relating to the disclosure of the interests of the Directors in contracts or proposed contracts with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any contract or arrangement to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the SGX-ST. No Director shall vote in respect of any contract, arrangement or transaction in which he is so interested as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted.

Restriction on voting

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to the Articles or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof. For the avoidance of doubt, a Director shall not vote in respect to any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest.

Holding of office in other companies

A Director may hold any other office or place of profit under the Company (except that of auditor) and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall determine. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, purchaser, shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

Indemnification

Subject to the Singapore Act, every Director, auditor, secretary or other officer of the Company is entitled to be indemnified by the Company against all costs, charges, losses, expenses and liability incurred by him in the execution and discharge of his duties or in relation thereto, including any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence, wilful default, breach of duty or breach of trust.

The above is a summary only of certain provisions of the Articles. The full provisions of the Articles are available on the Company's website at www.globalinvacom.com.

6. Singapore Code

6.1 Application to the Company

The Singapore Code is issued by the Monetary Authority of Singapore pursuant to Section 321 of the Securities and Futures Act (Cap 289).

The Singapore Code regulates the acquisition of voting shares of a public company that is either:

(a) primarily listed; or

(b) unlisted with more than 50 shareholders and net tangible assets of S$5 million or more.

The Singapore Code will accordingly apply to the Company.

The following is a non-exhaustive short summary of certain provisions in the Singapore Code. However, a copy of the Singapore Code is available on-line at the Monetary Authority of Singapore's website at www.mas.gov.sg.

Introduction

The Singapore Code is administered and enforced by the Securities Industry Council (the "**Council**") whose contact details are as follows:

Securities Industry Council
25th Storey, MAS Building
10 Shenton Way
Singapore 079117
Tel: (65) 62299222
Fax: (65) 62251350
Email: sic@mas.gov.sg

If Shareholders or prospective investors are in any doubt as to the application of the Singapore Code to them, they should speak to a professional adviser who is qualified to advise on such matters or they should contact the Council direct.

The Council may, from time to time, issue notes on the interpretation of the General Principles and the Rules of the Singapore Code. It also has powers under Singapore law to investigate any dealing in securities that is connected with a takeover or merger transaction. The duty of the Council is the enforcement of good business standards and not the enforcement of Singapore law. The Council expects prompt co-operation from those to whom enquiries are directed to ensure efficient administration of the Singapore Code.

Although the Singapore Code is non-statutory and does not have the force of law, if the Council finds that there has been a breach of the Singapore Code, it may have recourse to private reprimand or public censure or to further action designed to deprive the offender temporarily or permanently of its ability to enjoy the facilities of the Singapore securities market. If the Council finds evidence to show that a criminal offence has taken place whether under the Singapore Act, the Securities and Futures Act (Cap 289) or under Singapore criminal law, it will refer the matter to the appropriate authority.

Under the Singapore Code, an offeror must treat all shareholders of the same class in an offeree company equally. Where an offeree company has more than one class of equity share capital, a comparable offer must be made for each class. A fundamental requirement is that shareholders of the offeree company must be given sufficient information, advice and time to consider and decide on the offer.

In determining the acquisition of shareholdings by an offeror under the Singapore Code, shares in the offeree company held or acquired by persons acting in concert with the offeror are to be taken together with shares in the offeree company held or acquired by the offeror.

Parties acting in concert comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- a company and its related and associated companies and companies whose associated companies include any of these companies;
- a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;
- a financial or other professional adviser and its clients in respect of shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0 per cent. or more of the client's equity share capital;
- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for the company may be imminent;
- partners; and

- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions.

There are three types of takeover offers under the Singapore Code, namely, mandatory offers, voluntary offers and partial offers.

Mandatory Offers

Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0 per cent. or more of the voting shares in an offeree company or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0 per cent. and 50.0 per cent. (both inclusive) of the voting shares in an offeree company, and acquires additional voting shares representing more than 1.0 per cent. of the voting shares in that offeree company in any six-month period, is normally required to extend a mandatory general offer for the remaining voting shares in accordance with the provisions of the Singapore Code.

A mandatory offer must be conditional upon the offeror obtaining acceptances which will result in the offeror and persons acting in concert with it holding shares carrying more than 50.0 per cent. of the voting rights of the offeree company. Generally, no other conditions are permitted to be imposed in a mandatory offer.

The consideration for the mandatory offer must be in cash or be accompanied by a cash alternative at (subject to certain exceptions) not less than the highest price paid by the offeror or parties acting in concert with the offeror for voting rights of the offeree company within the preceding six months prior to the offer period and during the offer period.

Voluntary Offers

A voluntary offer is a takeover offer for the voting shares of an offeree company made by a person when he has not incurred an obligation to make a mandatory general offer for that offeree company under Singapore Code.

A voluntary offer must be conditional upon the offeror receiving acceptances in respect of voting rights which, together with voting rights acquired or agreed to be acquired before or during the offer, will result in the offeror and person acting in concert with it holding more than 50 per cent. of the voting rights.

Normal conditions, such as level of acceptance (provided that in the case of a high level acceptance, the offer document states clearly the level of acceptances upon which the offer is conditional and the offeror has satisfied the Council that it is acting in good faith in imposing such a high level of acceptance), approval of shareholders for the issue of new shares and the approval for listing of the relevant exchange in which the offeree company's shares are listed may be attached without reference to the Council. However, a voluntary offer must not be made subject to conditions whose fulfilment depends on the subjective interpretation or judgement by the offeror or lies in the offeror's hands.

The consideration for the voluntary offer must be in cash or securities or a combination thereof at (subject to certain exceptions) not less than the highest price paid by the offeror or any person acting in concert with it for voting rights of the offeree company within the preceding three months prior to the offer period and during the offer period. However, a cash offer is required where the offeror and any person acting in concert with it has bought for cash during the offer period and within 6 months prior to its commencement, shares of any class under offer in the offeree company carrying 10% or more of the voting rights of that class.

Partial Offers

Partial offers are voluntary offers for less than 100.0 per cent. of the shares in an offeree company.

The Council will normally consent to a partial offer which could not result in the offeror and persons acting in concert with it holding shares carrying 30 per cent. or more of the voting rights of the offeree company.

The Council will not consent to any partial offer which could result in the offeror and its concert parties holding shares carrying not less than 30 per cent. but not more than 50 per cent. of the voting rights of the offeree company.

The Council will not normally consent to a partial offer which could result in the offeror and its concert parties holding shares carrying more than 50 per cent. of the voting rights of the offeree company, unless certain conditions are satisfied. These include:

(a) the partial offer is not a mandatory offer;

(b) the offeror confirming and undertaking in its application for consent that it and its concert parties did not and will not acquire any voting shares (excluding voting shares acquired by the offeror and its concert parties via a rights issue and/or bonus issue without increasing their aggregate percentage shareholdings) in the offeree company:

 (i) in the six months prior to the date of the offer announcement (and confirms this fact in the offer announcement);

 (ii) in the period between submitting the application for the Council's consent and the making of the partial offer;

 (iii) during the offer period (except pursuant to the partial offer); and

 (iv) during a period of six months after the close of the partial offer, if the partial offer becomes unconditional as to acceptances.

(c) the partial offer being conditional on the offeree company's shareholders approval, but with the offeror and its concert parties not entitled to vote; and

(d) the partial offer is made to all shareholders of the same class and arrangements are made for those shareholders who wish to accept in full for the relevant percentage of their holdings. Shares tendered in excess of this percentage should be accepted by the offeror from each shareholder in the same proportion as the number tendered to the extent necessary to enable the offeror to obtain the total number of shares for which he has offered.

Partial offers may, in respect of each class of share capital involved, be in cash of securities or a combination of cash and securities. The consideration requirements in relation to when a cash offer is required for a partial offer are the same as those for a voluntary offer.

Appropriate Offers to Holders of Convertible Securities

Where an offer is made for equity share capital and the offeree company has outstanding instruments convertible into, rights to subscribe for and options in respect of securities being offered for or which carry voting rights outstanding, the offeror must make an appropriate offer or proposal to the holders thereof.

An appropriate offer or proposal for such convertible instruments, subscription rights or options is at least the higher of the following:

(a) the ''see-through'' price, being

 (i) offer price for the underlying securities multiplied by the conversion ratio (in the case of convertible instruments); and

 (ii) the excess of the offer price for the underlying securities over the exercise or subscription price (in the case of options and rights respectively); and

(b) the highest price paid by the offeror and persons acting in concert with it for such convertible instruments, subscription rights or options during the offer period and:

 (i) for a mandatory offer, within six months of commencement of the offer period; or

 (ii) for a voluntary offer, within three months of commencement of the offer period.

Disclosure of Dealings During Offer Period

The Singapore Code requires the offeror, the offeree company or any of their associates to:

(a) publicly disclose dealings in relevant securities for their own accounts or for the accounts of discretionary investment clients during the offer period in writing to the relevant exchange, the Council and the press; and

(b) privately disclose dealings in relevant securities for the account of non-discretionary investment clients (other than an offeror, the offeree company and any of their associates) during the offer period in writing to the Council,

no later than 12 noon (Singapore time) on the dealing day following the date of the relevant transaction.

"Relevant securities" include equity share capital of the offeror and the offeree company, options and securities carrying conversion or subscription rights into equity share capital of the offeror and the offeree company.

Under the Singapore Code, the term "associate" is not exhaustively defined but is intended to cover all persons (whether or not acting in concert with the offeror, offeree company or with one another) who directly or indirectly own, or deal in, the shares of the offeror or offeree company in a takeover or merger transaction and who have (in addition to their normal interest as shareholders) an interest or potential interest, whether commercial, financial or personal, in the outcome of the offer.

These will normally include:

(a) related and associated companies of the offeror or the offeree company and companies whose associated companies include the offeror, the offeree company and their related and associated companies;

(b) banks, stockbrokers, financial and other professional advisers to the offeror, the offeree company or appointed for on in connection with the takeover or merger transaction by any company in (a) above including persons controlling, controlled or under the same control as such banks, stockbrokers, financial and other professional advisers;

(c) the directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts) of the offeror, the offeree company or any company mentioned in (a) above;

(d) the pension funds and employee share schemes of the offeror, the offeree company or any company mentioned in (a) above;

(e) any investment company, unit trust or other fund whose investment an associate manages on a discretionary basis;

(f) a person (or two or more persons pursuant to an agreement or understanding to acquire or hold) holding or acquiring five per cent. or more of the equity share capital of the offeror or offeree company; and

(g) a company having a material trading arrangement with the offeror or offeree company.

Market Makers

There is no specific reference to market makers in the Singapore Code. However the provisions of the Singapore Code may apply to a market maker if a market maker falls into one of the categories of persons mentioned in the Singapore Code. Below are examples of some instances where the Singapore Code may apply to market makers.

Acting in concert

A market maker would be considered to be acting in concert with an offeror if it falls into any of the categories of persons considered to be acting in concert alluded to in the sub-section headed "Introduction" above.

For example, a market maker may be deemed to be acting in concert with the offeror if the market maker is engaged by the offeror as a financial or professional adviser.

If a market marker is deemed to be acting in concert with the offeror, then:

(1) any shares in the offeree company acquired or held by the market maker will be aggregated with the shares in the offeree company that are acquired or held by the offeror and its concert parties; and

(2) in addition to the offeror, the market marker may, according to the circumstances of each case, be obliged to extend the takeover offer under the Singapore Code.

Disclosure of Dealings

Similarly, a market maker would be considered to be an "associate" of an offeror or an offeree company if it falls into the categories of associates alluded to in the sub-section headed "Disclosure of Dealings during Offer Period" above.

For example a market maker will be deemed to be an associate of the offeror or the offeree company if the market maker is a financial or other professional adviser of the offeror or the offeree company or is appointed for in connection with the takeover or merger transaction by the offeror, the offeree company or any of its respective associate or related companies.

If a market maker is an associate of the offeror or the offeree company, the market maker will be required to disclose dealings in the relevant securities during the offer period.

If market makers are in any doubt as to the application of the Singapore Code to them, they should speak to a professional adviser who is qualified to advise on such matters or they should contact the Council direct.

7. Share Option Scheme

7.1 The Company operates the Global Invacom Share Option Scheme 2013 ("**ESOS**") under which options over Ordinary Shares have been granted to directors and employees of members of the Group. A summary of the rules of the ESOS is set out in paragraph 7.3 below.

7.2 As at the date of this document, the following options granted under the ESOS remain outstanding:

Option holder	Number of options	Date of grant	Exercise price	Exercise period
Anthony Taylor	945,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Gordon Blaikie	322,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Andy Bullock	223,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Steven Fisher	148,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Andy Graham	161,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Tao Huang	143,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
Anthony Taylor	945,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Gordon Blaikie	322,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Andy Bullock	223,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Steven Fisher	148,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Andy Graham	161,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Tao Huang	143,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Ian Walsh	230,000	21 August 2013	S$0.20	21 August 2016 – 20 August 2023
Ian Walsh	230,000	21 August 2013	S$0.20	21 August 2017 – 20 August 2023

7.3 A summary of the rules of the ESOS is as follows:

A committee of Directors (the "**Committee**") has been duly authorised and appointed by the Board pursuant to the ESOS to administer the ESOS.

(a) *Eligibility of Participants*

Subject to the absolute discretion of the Committee, the following persons shall be eligible to participate in the ESOS:

(i) any full-time confirmed employee of the Company and its subsidiaries (including any director of the Company and/or its subsidiaries, as the case may be, who performs an executive function ("**Group Executive Director**")) ("**Group Employee**"); and

(ii) a director of the Company and/or its subsidiaries, as the case may be, other than a Group Executive Director ("**Group Non-Executive Directors**"),

provided that, as of the offer date, they have attained the age of 21 years, have not entered into any compositions with their respective creditors and are not undischarged bankrupts, and who hold such position as may be designated by the Company from time to time.

Subject to the absolute discretion of the Committee, the Controlling Shareholders and their associates who meet the criteria as set out above are eligible to participate in the ESOS, provided that the participation of each controlling shareholder or his associate and each grant of an option to any of them may only be effected with the specific prior approval of independent shareholders in a general meeting by a separate resolution. Controlling shareholders and their associates shall abstain from voting on any resolution in relation to their participation in the ESOS and grant of options to them.

(b) *Entitlement of Participants*

Options are personal to the participant to whom they are given and shall not be transferred (other than to a participant's personal representative on the death of the former), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

(c) *Size and Duration of the ESOS*

Pursuant to the listing rules of the SGX-ST, the aggregate number of shares over which the options may be granted under the ESOS, when added to the number of shares issued and/or issuable in respect of all options granted thereunder and all awards or options granted under any schemes implemented by the Company, shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of grant.

Pursuant to the listing rules of the SGX-ST, the aggregate number of shares over which the options may be granted under the ESOS to controlling shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each controlling shareholder or his associate shall not exceed 10% of the shares available under the ESOS.

The ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the ESOS was adopted by shareholders in a general meeting. The ESOS may continue beyond the aforesaid period of time with the approval of shareholders by resolution of the shareholders in a general meeting, or may be terminated at any time by the Committee, subject to all relevant approvals and of any relevant authorities, which may then be required.

(d) *Exercise Price of Options and Grant of Options at a Discounted Price*

Subject to adjustments under the rules of the ESOS, the exercise price for the shares in respect of which an option is exercisable shall be fixed by the Committee in its absolute discretion at:

(i) the market price; or

(ii) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price and is approved by shareholders in a general meeting in a separate resolution in respect of that option.

Options granted with the exercise price set at market price may be exercised during the period commencing after the first anniversary of the date of grant and expiring on the 10^{th} anniversary of such date of grant for options granted to Group Employees and on the fifth anniversary of such date of grant for options granted to Group Non-Executive Directors, failing which the unexercised option shall immediately lapse and become null and void.

Options granted at a discount to the market price may be exercised during the period commencing after the second anniversary of the date of grant and expiring on the 10^{th} anniversary of such date of grant for options granted to Group Employees and on the fifth anniversary of such date of grant for options granted to Group Non-Executive Directors, failing which the unexercised option shall immediately lapse and become null and void.

(e) *Details of a Grant of an Option under the ESOS*

In relation to each option to be granted to a participant under the ESOS, the Committee shall decide:

(i) the date on which the options are to be granted;

(ii) the number of options to be granted; and

(iii) the discount, if any, to the market price of shares in determining the exercise price of the options to be granted, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price and is approved by shareholders in a general meeting in a separate resolution in respect of that option.

The selection of a participant and the number of options to be granted to a participant in accordance with the ESOS shall be determined at the sole and absolute discretion of the Committee.

(f) *Adjustments and Alterations to the ESOS*

If a variation of the issued share capital of the Company (whether by way of a capitalisation issue, rights issue, capital reduction, subdivision, consolidation of shares or distribution) shall take place, then:

(i) the exercise price in respect of the shares comprised in any option to the extent unexercised;

(ii) the class and/or number of shares comprised in any option to the extent unexercised and the rights attached thereto; and/or

(iii) the class and/or number of shares in respect of which additional options may be granted to participants,

shall be adjusted in such a manner as the Committee may determine to be appropriate and, except in relation to a capitalisation issue, upon the auditors (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable. No adjustment may be made in a way that a participant shall receive a benefit that a shareholder does not receive.

The above is a summary only of the rules of the ESOS. The full rules of the ESOS are stated in the Company's circular to shareholders dated 26 August 2013, available on www.sgx.com.

8. Directors

8.1 Details of the Directors, their business address and their functions in the Company are set out on page 6 of this document under the heading "Directors, Secretary and Advisers". Each of the Directors can be contacted at the registered office and principal place of business of the Company at 8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988.

8.2 In addition to their directorships of the Company, the Directors are currently or have within the five years prior to the date of this document been directors or partners of the following companies and partnerships:

Name	Current directorships and partnerships	Previous directorships and partnerships
Anthony Brian Taylor	Fibre TV to Home Limited GI Provision Limited Global Invacom Holdings Limited Global Invacom Limited Global Invacom Manufacturing (UK) Limited Global Invacom Sdn Bhd Invacom Holdings Ltd Invacom Ltd Invacom Systems Ltd The Waveguide Solution Limited	Amphenol Borg Pensions Trustees Limited Global Provision Ltd
Malcolm John Burrell	GI Provision Limited Global Invacom Holdings Limited Global Invacom Limited	
Matthew Jonathan Garner		Amphenol Borg Pensions Trustees Limited
John Lim Yew Kong	ACM London Limited Academy of Contemporary Music Asia Pte Ltd Conchubar Aromatics Ltd	ASC Capital Pte Ltd ASC Equity Pte Ltd Axia Equity Pte Ltd EcoWise Holdings Limited

Name	Current directorships and partnerships	Previous directorships and partnerships
	Conchubar Chemicals Ltd Conchubar Infrastructure Fund Karin Technology Holdings Limited Metropolitan Good Company Pte Ltd Point Hope Group Pte Ltd Point Hope Pte Ltd Rahue Limited	Enterprise Asean Fund Pte Ltd The Style Merchants Limited North Asia Resources Limited
Basil Chan	AEM Holdings Ltd CCM Group Limited Grand Banks Yachts Ltd MBE Capital Pte Ltd (Dormant) MBE Corporate Advisory Pte Ltd YOMA Strategic Holdings Ltd	RSH Limited Seroja Investments Limited Singapore Institute of Directors Teledata (Singapore) Ltd WesTech Electronics Limited
Cosimo Borelli	Allegheny Bicycle & Carriage Co., Ltd Amazing Elite Limited Ambridge Associates Limited ASCF LP (Mauritius) Company Limited Asia Strategic Capital Fund GP Aston Metals (Queensland) QLD Bailey Park Wire & Carriage Co., Ltd Belle Grove Brewing & TavernSupply Co Ltd Bombay Bicycle Club Limited Borrelli Walsh (BVI) Limited (formerly S.S. Minnow Limited (BVI) Borrelli Walsh Limited Borrelli Walsh (UK) Limited Borrelli Walsh Pte Ltd PT Borrelli Walsh BW Asset Management Ltd BW Investment Ltd Briscola Limited Citikeen Development Limited Easy Giant Limited Fish & Chips Limited Forseti Valborg Holdings Limited Fullwood Associates Limited Gold Ribbon Investment Limited Happy Sky Group Limited J Harper Partners Limited Jaya Holdings Limited Jindalee Investments Limited Joe Harper Limited Keepco Limited Keypac Limited Klemzig Financial Limited Kowloon Capital Limited Madison Pacific Corporate Services Limited Madison Pacific Trust Limited Monroe Recreation & Sports Co., Ltd Montpelier Leaf & Tea Co., Ltd. MPCSL I Limited MPCSL V Limited Nazzareno Matarazzo Limited Norwich International Limited	Advisory Services Limited, Hong Kong Alvarez and Marshal Asia Limited, Hong Kong Asia Securities & Corporate Limited Asia Pulp & Paper Limited Big Rock Holdings Limited Borrelli Asia Ltd Forefront International Limited Joe Harper Partners Limited Monroe Recreation & Sports Co., Ltd. RSN Nelson Wheeler Corporate Top Step Group Limited

Name	Current directorships and partnerships	Previous directorships and partnerships
	Parkwell Holdings Limited Prince Eagle Limited Richesse (Logistics) International Cor. Rishton Trading Limited SS Minnow Limited Swanky Focus Limited Triluck International Limited Utmost Limited	

8.3 Mr Basil Chan was a non-executive director of the following Micropolis group of companies (the "**Entities**"), which were the subject of insolvency petitions in court. The appointments took place during his employment under Singapore Technologies Pte Ltd ("**Singapore Technologies**") as its Financial Director, and the Entities are subsidiaries of Singapore Technologies.

The Entities consist of:

- Micropolis (S) Limited
- Micropolis (USA) Inc
- Micropolis (UK) Limited
- Micropolis Japan Limited
- Micropolis Corporation (Thailand) Ltd
- Micropolis (Deutschland) GmbH
- Micropolis SRL
- Micropolis AB

The Entities were placed in liquidation beginning late 1997. Mr Chan was not involved in the day-to-day management of the Entities during his period of directorship and was not involved in their operations which led to the commencement of liquidation proceedings.

8.4 Save as disclosed in paragraphs 8.3 above, as at the date of this document, no Director:

(a) has any unspent convictions in relation to indictable offences;

(b) has been declared bankrupt or been subject to any individual voluntary arrangement;

(c) has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which has entered into a company voluntary arrangement or a composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) has been a partner in any partnership which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) has had any asset belonging to him placed in receivership or has been a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body); or

(g) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

9. Directors' Service Agreements and Letters of Appointment

9.1 The following agreements have been entered into between the Directors and the Group:

(a) *Anthony Brian Taylor*

Mr Anthony Brian Taylor has entered into a service agreement with GIL dated 1 March 2010, and a supplemental service agreement with GIL and the Company dated 5 July 2012 setting out the terms of his appointment as managing director of GIL and an executive director of the Company. The agreement provides for the payment by GIL of a salary of £184,625.00 per annum and the payment by the Company of a salary of S$30,000 per annum to Mr Taylor and, at the recommendation of the Company's remuneration committee and subject to the approval of the Board of the Company, an annual bonus. Under the agreement, Mr Taylor is also entitled to be remunerated for business mileage on the use of his own car on GIL business, pension contributions to a value of 5 per cent. of the gross salary paid by GIL and 26 days holiday per annum. GIL, the Company and Mr Taylor may terminate the agreement on six months' notice. The agreement imposes certain restrictions on Mr Taylor as regards the use of confidential information and intellectual property. In addition, Mr Taylor will be subject to certain restrictive covenants following the termination of the agreement.

(b) *Matthew Jonathan Garner*

Mr Matthew Jonathan Garner has entered into a service agreement with GIL dated 16 December 2013, and supplemental service agreement with GIL and the Company dated 2 June 2014 setting out the terms of his appointment as Chief Financial Officer of the Group. The agreement provides for the payment by GIL to Mr Garner of a salary of £140,000 per annum and, at the recommendation of the Company's remuneration committee and subject to the approval of the Board of the Company, an annual bonus. Under the agreement, Mr Garner is also entitled to be remunerated for business mileage on the use of this own car for GIL business, pension contribution of 5 per cent. of the gross salary paid by GIL and 26 days holiday per annum. GIL, the Company and Mr Garner may terminate the agreement on six months' notice. The agreement imposes certain restrictions on Mr Garner as regards the use of confidential information and intellectual property. In addition, Mr Garner will be subject to certain restrictive covenants following the termination of the agreement.

(c) *Malcolm John Burrell*

Mr Malcolm John Burrell has entered into a service agreement with GIL dated 1 March 2010, and a supplemental service agreement with GIL and the Company dated 5 July 2012 setting out the terms of his appointment as technical director of GIL and executive director of the Company. The agreement provides for the payment by GIL of a salary of £105,000 per annum per annum to Mr Burrell and, at the recommendation of the Company's remuneration committee and subject to the approval of the Board of the Company, an annual bonus. Under the agreement, Mr Burrell is also entitled to be remunerated for business mileage on the use of his own car on GIL business, pension contributions to a value of 5 per cent. of his gross salary paid by GIL and 26 days holiday per annum. GIL, the Company and Mr Burrell may terminate the agreement on six months' notice. The agreement imposes certain restrictions on Mr Burrell as regards the use of confidential information and intellectual property. In addition, Mr Burrell will be subject to certain restrictive covenants following the termination of the agreement.

(d) *John Lim Yew Kong*

Mr John Lim Yew Kong has entered into a letter of appointment with the Company dated 3 November 2010 setting out the terms of his appointment as lead independent director. Under the letter of appointment, Mr Lim is entitled to an annual fee of S$100,000 and reimbursement of reasonable expenses but no other remuneration. The appointment may be terminated by Mr Kong giving three months' notice and by the Company for course. The agreement imposes certain restrictions on Mr Lim as regards the use of confidential information and intellectual property.

(e) *Basil Chan*

Mr Basil Chan has entered into a letter of appointment with the Company dated 30 May 2014 setting out the terms of his appointment as an independent director. Under the letter of appointment, Mr Chan is entitled to an annual fee of S$78,750 and reimbursement of reasonable expenses but no other remuneration. The appointment may be terminated at any time by Mr Chan giving three months' notice and by the Company for cause. The agreement imposes certain restrictions on Mr Chan as regards the use of confidential information and intellectual property.

(f) *Cosimo Borelli*

Mr Cosimo Borelli has entered into a letter of appointment with the Company dated 4 June 2014 setting out the terms of his appointment as an independent director. Under the letter of appointment, Mr Borelli is entitled to an annual fee of S$78,750 and reimbursement of reasonable expenses but no other remuneration. The appointment may be terminated at any time by Mr Borelli giving three months' notice and by the Company for cause. The agreement imposes certain restrictions on Mr Borelli as regards the use of confidential information property.

9.2 Save as set out in this paragraph 9, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between any of the Directors and any member of the Group.

9.3 There are no arrangements under which any Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.

9.4 The aggregate remuneration paid and benefits in kind granted to the Directors in the financial year ended 31 December 2013 was approximately £1.70 million. It is estimated that, under the agreements in force at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the Directors in the financial year ending 31 December 2014 will be approximately £1.85 million.

10. Directors' Shareholdings and Other Interests

10.1 The interests (all of which are beneficial, unless otherwise stated) of the Directors (including, so far as is known to the Directors having made appropriate enquiries, the interests of any persons connected with the Directors within the meaning of section 252 of the Companies Act) in the issued share capital of the Company as at the date of this document and as they will be immediately following Admission are as follows:

At the date of this document

Director	**Number of Ordinary Shares**	**Percentage of current issued share capital**
Anthony Brian Taylor	11,139,702	4.81
Matthew Jonathan Garner	—	—
Malcolm John Burrell	11,139,702	4.81
John Lim Yew Kong	15,000	0.01
Basil Chan	15,000	0.01
Cosimo Borelli	—	—

At Admission

Director	**Number of Ordinary Shares**	**Percentage of Enlarged Share Capital**
Anthony Brian Taylor	11,139,702	2.91
Matthew Jonathan Garner	—	—
Malcolm John Burrell	11,139,702	2.91
John Lim Yew Kong	15,000	0.01
Basil Chan	15,000	0.01
Cosimo Borelli	—	—

10.2 Immediately following Admission, the Directors will have the following options over Ordinary Shares:

Name	Number of Ordinary Shares under option	Date of grant	Exercise price	Exercise period
Anthony Brian Taylor	945,000	7 July 2013	S$0.17	7 July 2016 – 6 July 2023
	940,000	7 July 2013	S$0.17	7 July 2017 – 6 July 2023
Matthew Jonathan Garner	—	—	—	—
Malcolm John Burrell	—	—	—	—
John Lim Yew Kong	—	—	—	—
Basil Chan	—	—	—	—
Cosimo Borelli	—	—	—	—

10.3 Save as disclosed in this paragraph 10, no Director has any interest (whether beneficial or non-beneficial) in the share or loan capital of the Company or any other member of the Group nor (so far as is known to the Directors having made appropriate enquiries) does any person connected with any of the Directors within the meaning of section 252 of the Companies Act have any such interest (whether beneficial or non-beneficial).

10.4 None of the Directors nor (so far as is known to the Directors having made appropriate enquiries) any person connected with any of the Directors within the meaning of section 252 of the Companies Act holds a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

10.5 There are no outstanding loans or guarantees granted or provided by the Company or any other member of the Group to or for the benefit of any of the Directors.

10.6 Save as disclosed in this document, no Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

10.7 Save as disclosed in this document, no Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year or which was effected by the Company or any other member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.

10.8 No Director has any conflict of interest (or potential conflict of interest) between any of the duties owed by him to the Company and his private interests or any duties owed by him to third parties.

10.9 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 12.8 of this Part IV.

11. Major Shareholders

11.1 In addition to the interests of the Directors disclosed in paragraph 9 above, the Directors are aware of the following persons who are at the date of this document, or will immediately following Admission be, directly or indirectly interested in 3 per cent. or more of the Company's issued share capital or voting rights:

As at the date of this document

Shareholder	Number of Ordinary Shares	Percentage of current issued share capital
Neo Chee Beng	7,000 (Direct) 23,231,000 (Deemed)	0.003% 10.021%
David Jonathan Wren Fugeman	11,139,702	4.81%
Helen Ann Pannell	11,139,702	4.81%
John Stephen Parfitt	11,139,702	4.81%
Roger Mark Pannell	11,139,702	4.81%
Gary Patrick Stafford	10,431,702	4.40%

At Admission

Shareholder	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Neo Chee Beng	7,000 (Direct) 23,231,000 (Deemed)	0.002% 8.226%
Investec Asset Management Limited	15,000,000	5.31%
River & Mercantile Asset Management LLP	14,250,000	5.05%
Standard Life plc	12,500,000	4.43%
John Stephen Parfitt	11,139,702	3.94%
David Jonathan Wren Fugeman	11,139,702	3.94%
Helen Ann Pannell	11,139,702	3.94%
Roger Mark Pannell	11,139,702	3.94%
Gary Patrick Stafford	10,431,702	3.69%

11.2 None of the persons interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.

11.3 Save as disclosed in this paragraph 11, the Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. Due to the use of nominee accounts by shareholders of SGX listed companies, the Company is reliant on shareholders disclosing to the Company changes in their beneficial ownership of the Company.

11.4 So far as the Directors are aware, there are no arrangements in place, the operation of which may at a later date result in a change of control of the Company.

12. Material Contracts

12.1 *Introduction*

This paragraph 12 contains summaries of the contracts (not being contracts entered into in the ordinary course of business):

(a) which have been entered into by any member of the Group in the two years immediately preceding the date of this document and are or may be material; or

(b) which have been entered into by any member of the Group and contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

12.2 *finnCap Engagement Letter*

On 4 February 2014, the Company entered into an engagement letter with finnCap under which finnCap agreed to act as nominated adviser, financial adviser and joint broker to the Company in relation to the Placing and Admission. Under the terms of the engagement letter, the Company agreed to pay to finnCap a monthly retainer, a corporate finance fee on Admission (from which any amounts paid pursuant to the monthly retainer shall be deducted) and a commission of (a) five per cent on the aggregate value at the Placing Price of the Placing Shares introduced by finnCap; and (ii) one per cent on the aggregate value at the Placing Price of the Placing Shares introduced by the Company, such commission to be shared equally between finnCap and Mirabaud. Additionally, the Company has agreed to pay all of finnCap's costs and expenses (including any applicable VAT) of the Placing and Admission.

12.3 *Mirabaud Engagement Letter*

On 4 February 2014, the Company entered into an engagement letter with Mirabaud under which Mirabaud agreed to act as lead broker to the Company in relation to the Placing and Admission. Under the terms of the engagement letter, the Company agreed to pay to Mirabaud a commission of (a) five per cent on the aggregate value at the Placing Price of the Placing Shares introduced by Mirabaud; and (ii) one per cent on the aggregate value at the Placing Price of the Placing Shares introduced by the Company, such commission to be shared equally between finnCap and Mirabaud. Additionally, the Company has agreed to pay all of Mirabaud's costs and expenses (including any applicable VAT) of the Placing and Admission.

12.4 *Nominated Adviser and Broker Agreement*

On 27 June 2014 the Company entered into an agreement with finnCap pursuant to which the Company appointed finnCap to act as nominated adviser and joint broker to the Company in relation to, and following, the Placing and Admission. The agreement is for a minimum period of 12 months from the date of Admission and continues thereafter until terminated by either party giving not less than three months' notice. Under the agreement, the Company has agreed to pay finnCap an annual fee of £60,000 (with an annual increase in line with the UK retail price index) for its services.

12.5 *Broker Agreement*

On 27 June 2014 the Company entered into an agreement with Mirabaud to act as joint broker to the Company in relation to, and following, the Placing and Admission. The agreement is for a minimum period of 12 months from the date of Admission and continues thereafter until terminated by either party giving not less than three months' notice. Under the agreement, the Company has agreed to pay Mirabaud an annual fee of £35,000 for its services.

12.6 *Placing Agreement*

On 27 June 2014 the Company entered into the Placing Agreement with finnCap, Mirabaud and the Directors pursuant to which finnCap and Mirabaud have agreed, subject to certain conditions, as agents for the Company, to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional, amongst other things, on Admission taking place on or before 2 July 2014 (or such later date as finnCap, Mirabaud and the Company may agree, but in any event not later than 31 July 2014).

The Placing Agreement contains certain warranties by the Company and the Directors in favour of finnCap and Mirabaud, including as to the accuracy of the information contained in this document, certain financial information and other matters relating to the Group and its businesses. The liability of the Directors under these warranties is limited in time and amount. In addition, the Company has agreed to indemnify finnCap and Mirabaud in respect of any losses, damages and liabilities incurred by finnCap and Mirabaud resulting from the carrying out by finnCap and Mirabaud of their obligations or services under the Placing Agreement or otherwise in connection with the Placing and Admission.

finnCap and Mirabaud are entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement, a material breach of any of the warranties contained in the Placing Agreement, the occurrence of a material adverse change in the financial position or prospects of the Group or the occurrence of other circumstances materially prejudicial to the successful outcome of the Placing.

The Placing Agreement provides for the payment by the Company to finnCap and Mirabaud of, in aggregate, a corporate finance fee of £160,000 and a commission of five per cent on the value of the Placing Shares at the Placing Price together in each case with any applicable VAT. The Placing Agreement also provides for the Company to pay all costs, charges and expenses of, or incidental to, the Placing and Admission including all accountancy, legal and other professional fees and expenses.

12.7 *Vendor Placing Agreement*

On 27 June 2014 the Company entered into the Vendor Placing Agreements with finnCap, Mirabaud and each of the Selling Shareholders pursuant to which finnCap and Mirabaud have agreed, subject to certain conditions, as agents for the Selling Shareholders, to use their reasonable endeavours to procure purchasers for the Sales Shares at the Placing Price. The Vendor Placing Agreements are conditional, amongst other things, on Admission taking place on or before 2 July 2014 (or such later date as finnCap, Mirabaud and the Company may agree, but in any event not later than 31 July 2014).

finnCap and Mirabaud are entitled to terminate the Vendor Placing Agreements in certain specified circumstances prior to Admission, principally in the event of a material breach of the Vendor Placing Agreements or in the event that the Placing Agreement does not become unconditional save for Admission.

The Vendor Placing Agreements provide for payment by each of the Selling Shareholders to finnCap and Mirabaud of, in aggregate, a commission of five per cent. on the value of the Sale Shares at the Placing Price together with any applicable VAT.

12.8 *Lock-in and Orderly Market Agreements*

On 27 June 2014, the Company, finnCap and Mirabaud entered into lock-in deeds with each of Anthony Taylor and Malcom Burrell (being the Directors holding Ordinary Shares at Admission) pursuant to which each has undertaken to the Company, finnCap and Mirabaud that, subject to limited exceptions, he will not dispose of any interest in Ordinary Shares during the period of 12 months from Admission. The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal by such locked-in Director to a member of his immediate family or to a trust established for the benefit of members of his immediate family, a disposal following the death of a locked-in Director to his personal representatives or to the beneficiaries of his estate and a disposal pursuant to a court order.

12.9 *GIHL Sale and Purchase Agreement*

On 30 June 2011 the Company entered into a sale and purchase agreement with the legal and beneficial owners of Global Invacom Holding Limited ("**GIHL**") to acquire the entire issued share capital of GIHL for an aggregate consideration of US$49 million. Pursuant to the sale and purchase agreement the consideration is to be satisfied as follows:

(a) the sum of US$18.5 million is payable in cash and in the following manner:

(i) US$3.0 million was paid no earlier than the sixth month anniversary of Completion and no later than the first anniversary of completion of the sale and purchase agreement (being 5 January 2013);

(ii) US$4.5 million was paid on the first anniversary of completion of the sale and purchase agreement (being 5 July 2013);

(iii) US$5.5 million shall be paid on the second anniversary of completion of the sale and purchase agreement (being 5 July 2014);

(iv) US$5.5 million shall be paid on the third anniversary of completion of the sale and purchase agreement (being 5 July 2015),

to the vendors in direct proportion to each Vendor's percentage shareholding in the capital of GIHL at completion; and

(b) the sum of US$30.5 million was paid in the form of shares in the Company in direct proportion to each vendor's percentage shareholding in the capital of GIHL at completion.

Accordingly, the Company has satisfied the consideration payments dues under the sale and purchase agreement save it is required to make the third and final payments of the cash consideration described in paragraph (a)(iii) and (a)(iv) on 5 July 2014 and 5 July 2015 respectively.

12.10 *The Waveguide Solution Limited Share Purchase Agreement*

On 3 August 2012, the Company entered into a share purchase agreement to acquire the entire issued share capital of The Waveguide Solution Limited from Michael Jackson and Benjamin Cartridge. The consideration paid for the shares was £4.75 million, which was fully satisfied by the payment of £3,515,000 in cash and the remaining £1,235,000 through the allotment and issuance of 7,805,264 shares in the Company. The acquisition agreement contains certain warranties, undertakings indemnities and restrictive covenants from the vendors in customary form for such a transaction. The aggregate liability of the warrantors under the warranties shall not exceed the purchase price. The agreement is governed by English law and is subject to the exclusive jurisdiction of the courts of England.

The Waveguide Solution Limited was subsequently transferred by the Company to Global Invacom Holdings Limited pursuant to an intragroup transfer agreement dated 24 August 2012.

12.11 *Global Invacom Manufacturing (UK) Limited Share Purchase Agreement*

On 26 November 2013, Global Invacom Holdings Limited entered into a share purchase agreement with Raven Group Limited to acquire the entire issued share capital of Raven. Raven, *inter alia*, manufactures and supplies antennas and related products for the satellite industry. The consideration paid for the shares was £1,978,226.20 subject to an adjustment mechanism. The acquisition agreement contains certain warranties, undertakings, indemnities and restrictive covenants from Raven Group Limited in customary form for such a transaction. The aggregate liability of the warrantors under the warranties shall not exceed the purchase price in respect of certain fundamental warranties and 50% of the purchase price in respect of the other warranties. The agreement is governed by English law and is subject to the exclusive jurisdiction of the courts of England.

13. Taxation

13.1 *UK Taxation*

The following comments are intended only as a general guide to the position under current UK tax law and what is understood to be the current practice of HM Revenue & Customs (which may change in the future, including with retrospective effect) and may not apply to certain classes of investors, such as dealers in securities, those who acquire (or are treated as acquiring) their Ordinary Shares by reason of an office or employment, insurance companies, collective investment schemes and trusts. These comments only apply to Shareholders who beneficially hold their Ordinary Shares as an investment (unless expressly stated otherwise) and do not consider the position of individual shareholders who are resident in the UK but domiciled elsewhere. Those in doubt as to their tax position are strongly recommended to consult their own professional tax adviser.

For the purposes of the sections on the taxation of dividends, the taxation of capital gains and inheritance tax below, references to Ordinary Shares shall include Depositary Interests and references to Shareholders shall include holders of Depositary Interests.

Taxation of Dividends

(i) *The Company*

The Company should not be required to withhold UK tax at source on any dividends it pays to its Shareholders in respect of the Ordinary Shares.

(ii) *UK Resident Shareholders*

Individuals resident in the UK should be taxed on any dividends paid in respect of their Ordinary Shares on the following basis:

(a) UK resident individuals are generally liable to UK income tax on the aggregate amount of any dividend received and a non-repayable tax credit equal to one-ninth of the dividend received (the "gross dividend"). For example, on a dividend received of £90, the tax credit would be £10, and an individual would be liable to income tax on £100. The gross dividend will be part of the individual's total income for UK income tax purposes and will be regarded as the top slice of that income. However, in calculating the individual's liability to income tax in respect of the gross dividend, the tax credit (which equates to 10 per cent. of the gross dividend) is set off against the tax chargeable on the gross dividend.

(b) UK resident individuals who are subject to tax at the basic rate only (currently 20 per cent.) will be charged to tax on the gross dividend at the dividend ordinary rate of 10 per cent. The tax credit will satisfy their liability in respect of the gross dividend in full such that no further liability arises.

(c) UK resident individuals who are subject to tax at the higher rate (currently 40 per cent.) are subject to tax on dividends at the dividend upper rate (currently 32.5 per cent.) but are entitled to offset the 10 per cent. tax credit against such liability, resulting in an effective tax rate of 25 per cent. of the net dividend received. For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £22.50 (representing 32.5 per cent. of the gross dividend less the 10 per cent. tax credit).

(d) UK resident individuals who are subject to tax at the additional rate (currently 45 per cent.) are subject to tax on dividends at the dividend additional rate (currently 37.5 per cent.) but are entitled to offset the 10 per cent. tax credit against such liability, resulting in an effective tax rate of 30.6 per cent. of the net dividend received. For example, on a dividend received of £90 such a taxpayer would have to pay additional tax of £27.50 (representing 37.5 per cent. of the gross dividend less the 10 per cent. tax credit).

(e) No repayment of the 10 per cent. tax credit in respect of dividends paid by the Company (including where the Shareholder holds the Ordinary Shares in a tax free wrapper, such as an individual savings account) can be claimed by a UK resident Shareholder (including pension funds and charities).

(f) Dividends paid by the Company and received by a corporate Shareholder resident in the UK for tax purposes will generally fall into an exempt class and will not be subject to corporation tax or income tax.

(iii) *Non-UK Resident Shareholders*

Non-UK resident Shareholders should not generally be subject to UK tax in respect of any dividends paid in respect of their Ordinary Shares unless they hold them in connection with a trade, profession or vocation carried on in the UK through a branch or agency (or, in the case of a non-UK resident corporate Shareholder, a permanent establishment) to which the Ordinary Shares are attributable. Non-UK resident shareholders are not generally entitled to claim any part of the 10 per cent. tax credit and any ability to do so will depend on the terms of any applicable double tax treaty between the UK and the country in which the Shareholder is resident. Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own professional tax adviser concerning their tax liabilities.

Taxation of Capital Gains

(i) *UK Resident Shareholders*

A disposal of Ordinary Shares by an individual who is resident in the UK for tax purposes may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief (including indexation allowance for corporation tax payers and the annual exempt amount for capital gains tax payers).

(ii) *Non-UK Resident Shareholders*

Non-UK resident Shareholders should not generally be subject to UK tax in respect of any gain made on the sale of Ordinary Shares. However, non-UK resident Shareholders who carry on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a non-UK resident corporate Shareholder, a permanent establishment) to which the Ordinary Shares are attributable will be subject to the same rules which apply to UK resident Shareholders.

Non-UK resident Shareholders may also be subject to tax on gains under any law to which they are subject outside the UK. Such Shareholders should consult their own professional tax adviser concerning their tax liabilities.

A Shareholder who is an individual and who is temporarily resident for tax purposes outside the UK at the date of disposal of the Ordinary Shares may be liable to UK capital gains tax on that disposal on returning to the UK (subject to any available exemption or relief).

(iii) *Admission to AIM*

The admission of the existing Ordinary Shares to AIM should not constitute a disposal of the existing Ordinary Shares for the purposes of UK capital gains tax.

Inheritance Tax

UK inheritance tax may be chargeable in respect of Ordinary Shares when a Shareholder dies or makes a gift of Ordinary Shares (subject to any available reliefs or exemptions, including business property relief). Inheritance tax is a complex area and Shareholders should consult their own professional tax adviser in this regard.

Stamp duty and Stamp duty reserve tax ("SDRT")

No stamp duty or SDRT will be payable on the issue of Ordinary Shares.

No stamp duty should be payable on the transfer of Ordinary Shares provided that the instrument effecting such transfer (if any) is executed and kept outside the UK and does not relate to anything done or to be done in the UK. No SDRT should be payable on agreements to transfer Ordinary Shares, on the basis that the Ordinary Shares are issued by a body corporate not incorporated in the UK, provided that such Ordinary Shares are not registered on a register kept in the UK.

No stamp duty should be payable on the transfer of Depositary Interests representing Ordinary Shares provided that there is no instrument effecting such transfer. In addition, provided that the Depositary Interests representing Ordinary Shares fall within the definition of "depositary interest" in regulation 2 of the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 (SI 1999/2383), no SDRT should be payable on agreements to transfer such Depositary Interests.

13.2 ***Singapore Taxation***

The following comments address the specific issues mentioned below only and are not intended as a comprehensive summary of the Singapore tax consequences of the Placing and ownership of Ordinary Shares. These comments set out the position under current Singapore tax law and what is understood to be the current practice of the Singapore tax authorities (which may change in the future, including with retrospective effect). Those in doubt as to their tax position are strongly recommended to consult their own professional tax adviser.

(i) *Overview*

Singapore adopts a territorial system of taxation where income tax is imposed on income accrued in or derived from Singapore or remitted/deemed remitted in Singapore from outside Singapore (with certain exemptions – see below).

In addition, all sources of income are taxed on a preceding year basis i.e. income brought to tax for the Year of Assessment 2014 is income accruing in or derived from Singapore or received from outside Singapore for the basis period 1 January 2013 to 31 December 2013.

Foreign sourced income will only be taxable in Singapore upon remittance/deemed remittance into Singapore. Tax exemption schemes are applicable to certain sources of foreign income (such as branch profits, dividend income and service income) remitted/deemed remitted into Singapore by a Singapore tax resident, subject to certain conditions being met. Where the tax exemption schemes are not applicable, foreign tax credits may be applicable.

(ii) *Tax Residence*

A company is tax resident in Singapore for income tax purposes if the management and control of its business is exercised in Singapore. Generally, a company will be treated as resident in Singapore if the directors of the Company hold their board meetings in Singapore.

More recently, the Singapore tax authorities have been focusing on whether a company carries on substantive business activities in Singapore as a criterion for determining Singapore tax residence.

(iii) *Taxable Income and Rates*

The prevailing corporate tax rate is 17 per cent. Companies are also able to enjoy a partial tax exemption of up to S$152,500 for the first S$300,000 of their chargeable income.

Singapore grants tax incentives for activities that enhance its economic or technological development. Tax incentives are available to a wide spectrum of industries and broadly cover activities including manufacturing, services, trading and finance. For companies who qualify for tax incentives, the corporate tax rate will typically be lowered to between 0 per cent. to 15 per cent.

(iv) *Capital Gains Taxation*

There is no capital gains tax regime in Singapore. The badges of trade as established based on case law precedent are usually used as the guiding factor for distinguishing between capital and revenue gains.

(v) *Withholding Tax*

Generally, withholding tax is applicable on certain payments (i.e. royalties, interest payments, rent or payment for use of moveable property, management fees, technical assistance fees etc.) made to non-tax residents of Singapore, although the comprehensive network of tax treaties that Singapore has entered into may provide for a exemption or reduced rate of withholding.

In addition, payments may fall outside the ambit of the withholding tax system in certain circumstances. For example, technical and management fee payments for services which are performed entirely outside Singapore are not subject to withholding tax as long as the transactions are conducted on an arm's length basis and the non-resident person;

– is not incorporated, formed or registered in Singapore;

– does not carry on a business in Singapore; and

– does not have a permanent establishment in Singapore.

There is no Singapore withholding tax imposed on dividend payments in Singapore.

(vi) *Related Party Transactions*

Transfer pricing

The Singapore tax authorities generally require all related party transactions to be conducted on an arms' length basis and have accordingly issued transfer pricing guidelines on 23 February 2006 and 23 February 2009. A transfer pricing provision has also been passed into law in 2009 which empowers the Singapore tax authorities to make adjustments to a taxpayer's income if it is determined that the related party transactions are not carried out at arm's length.

One key emphasis of the transfer pricing regime in Singapore is that taxpayers should exert "reasonable efforts" to ensure that related party transactions have been conducted at arm's length and maintain sufficient documentation to demonstrate that such efforts have been undertaken.

Thin capitalisation

Singapore does not have thin capitalisation rules.

Controlled foreign companies (CFC)

Singapore does not have CFC rules.

(vii) *Stamp Duty*

No Singapore stamp duty should arise on the issue of Ordinary Shares (whether in certificated form or represented by Depositary Interests).

A transfer of Ordinary Shares in certificated form will generally be subject to Singapore stamp duty at the rate of 0.2 per cent. of the higher of the consideration given for the Ordinary Shares and their net asset value. This stamp duty should be paid by the buyer or transferee unless the transfer documents provide otherwise.

A transfer of Ordinary Shares represented by Depositary Interests should not be subject to Singapore stamp duty.

14. Employees

Set out below is a table showing the number of employees employed by the Group, broken down country by country, as at the end of each financial year covered by the historical financial information:

	31 December 2011	**31 December 2012**	**31 December 2013**
Singapore	13	13	12
Malaysia	—	2	6
PRC	1,320	1,338	1,285
UK	76	142	146
Total	1,409	1,495	1,449

For all periods shown above, employee numbers include temporary staff on employed fixed term contracts or contracted via agencies and part-time staff.

15. Related Party Transactions

15.1 Save as disclosed on pages 79 and 126-127, there are no transactions between the Company or members of the Group and related parties that were entered into during the three financial years ended 31 December 2011, 2012 and 2013. There have been no additional related party transactions between the Company or members of the Group that were entered into during the period between 31 December 2013 and 26 June 2014 (the latest practicable date prior to the publication of this document).

15.2 Save as set out or referred to in paragraph 15.1 above, no member of the Group has entered into a related party transaction during the period covered by the historical financial information set out in Part III of this document and up to the date of this document.

16. Principal Investments

16.1 Save as described in paragraph 3.1 of this Part IV, in respect of the subsidiaries:

(a) no significant investments have been made by the Group during the period covered by the historical financial information set out in Part IV of this document and up to the date of this document;

(b) no significant investments by the Group are in progress; and

(c) there are no future significant investments by the Group in respect of which a firm commitment has already been made.

17. Intellectual Property Rights

17.1 Patents Granted

I: 6.4

Title and Patent Family Number	Applicant/ Owner	Country/ Region	Priority Date	Application Number	Publication Number	Patent Number	Status
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Armenia – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Azerbaijan – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Belarus – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Kyrgyzstan – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Kazakhstan – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Moldova – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Russian Federation – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Tajikistan – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Turkmenistan – see Note (2)	11/05/2004	EA200602078	EA010643	EA010643	PUBLISHED 17/11/2005 GRANTED 30/10/2008
2. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	Ukraine	11/05/2004	UA a 200612967	N.A.	UA92321	GRANTED 25/10/2011
3. Broadcast Signal Waveguide	Invacom Limited	Germany	08/09/2004	05786132.0	EP1787352	P602005011 459.9	PUBLISHED 23/05/2007 GRANTED 03/12/2008
4. Broadcast Signal Waveguide	Invacom Limited	France	08/09/2004	05786132.0	EP1787352	EP1787352	PUBLISHED 23/05/2007 GRANTED 03/12/2008
5. Broadcast Signal Waveguide	Invacom Limited	Great Britain	08/09/2004	05786132.0	EP1787352	EP1787352	PUBLISHED 23/05/2007 GRANTED 03/12/2008
6. Broadcast Signal Waveguide	Invacom Limited	Luxembourg	08/09/2004	05786132.0	EP1787352	EP1787352	PUBLISHED 23/05/2007 GRANTED 03/12/2008
7. Broadcast Signal Waveguide	Invacom Limited	USA	08/09/2004	11/574838	US-2008-0186110	US7804381	PUBLISHED 07/08/2008 GRANTED 28/09/2010
8. Circular and/or linear polarity format data receiving apparatus	Invacom Limited	USA	21/04/2005	11/912080	US-2008-157902	US8040206	PUBLISHED 03/07/2008 GRANTED 18/10/2011

Title and Patent Family Number	Applicant/ Owner	Country/ Region	Priority Date	Application Number	Publication Number	Patent Number	Status
9. Video Error Concealment	GI Provision Limited	USA	08/01/2005	11/794922	US-2008-01-86404	US8160145	PUBLISHED 07/08/2011 GRANTED 17/04/2012
10. Apparatus for selected provision of linear and/or circular polarity signals	Global Invacom Limited	Germany	11/10/2004	05798306.6	EP1807934	EP1807934	PUBLISHED 18/07/2007 GRANTED 16/05/2014
10. Apparatus for selected provision of linear and/or circular polarity signals	Global Invacom Limited	France	11/10/2004	05798306.6	EP1807934	EP1807934	PUBLISHED 18/07/2007 GRANTED 16/05/2014
10. Apparatus for selected provision of linear and/or circular polarity signals	Global Invacom Limited	GB	11/10/2004	05798306.6	EP1807934	EP1807934	PUBLISHED 18/07/2007 GRANTED 16/05/2014
11. Error resilience mechanism for a video transmission system	GI Provision Limited – see Note (4)	GB	01/06/2010	1009128.8	GB2480819	GB2480819	PUBLISHED 07/12/2011 GRANTED 19/09/2012
12. Multicast data transmission systems	GI Provision Limited – see Note (4)	GB	01/06/2010	1009135.3	GB2480821	GB2480821	PUBLISHED 07/12/2011 GRANTED 28/11/2012

Notes:

(1) A patent is required to be renewed on a typically annual basis once the patent is granted. The above are current renewals and may have an existing validity period of up to 20 years from the Priority Date.

(2) Granted under the Eurasian Patent system - see http://www.eapo.org/eng/ea/.

17.2 Patents Pending

Title and Patent Family Number	Applicant/Owner	Country/ Region	Priority Date	Application Number	Publication Number	Status
1. Means for Receiving Data via Satellite Using at least Two Polarisations	Invacom Limited Eutelsat S.A Eutelsat Inc	European Countries - see Note (2)	11/05/2004	05747223.5	EP1763931	PUBLISHED 21/03/2007
4. Video error concealment in video	GI Provision Limited	European Countries - see Note (2)	08/01/2005	06700235.2	EP1851970	PUBLISHED 07/11/2007
8. Distribution of Data Signals from Broadcast Data Receiving Means	Invacom Limited	European Countries - see Note (2)	22/02/2006	07705240.5	EP1987611	PUBLISHED 05/11/2008
9. Adaptive multicast transmission system	GI Provision Limited - see Note (4)	GB	01/06/2010	1009133.8	GB2480820	PUBLISHED 07/12/2011
10. Data stream rate adaptation mechanism	GI Provision Limited - see Note (5)	GB	22/06/2010	1010477.6	GB2484061	PUBLISHED 04/04/2012
11. Multi Channel Video Delivery	GI Provision Limited - see Note (5)	GB	10/12/2010	1102616.8	GB2501843	PUBLISHED 06/11/2013
3. Circular and/or linear polarity format data receiving apparatus	Invacom Limited	European Countries - see Note (2)	21/04/2005	06726638.7	EP1872432	PUBLISHED 02/01/2008
5. Apparatus for selected provision of linear and circular polarity signals	Invacom Limited	USA	11/10/2004	11/576797	US-2008-0060023	PUBLISHED 06/03/2008
12. System for transmission and receipt of Broadcast digital data	Invacom Limited	European Countries - see Note (2)	20/05/2010	11725492	EP2572503	PUBLISHED 27/03/2013
12. System for transmission and receipt of Broadcast digital data	Invacom Limited	USA	20/05/2010	13/643222	US2013/0104169	PUBLISHED 25/04/2013
13. Data Transmission Apparatus, System and Method	GI Provision Limited	European Countries - see Note (2)	01/06/2010	11726933.2	EP2577976	PUBLISHED 10/04/2013
13. Data Transmission Apparatus, System and Method	GI Provision Limited	USA	01/06/2010	13/701646	US-2013-0263201	PUBLISHED 03/10/2013

Title and Patent Family Number	Applicant/Owner	Country/ Region	Priority Date	Application Number	Publication Number	Status
14. Data stream rate adaptation mechanism	GI Provision Limited	European Countries - see Note (2)	22/06/2010	11728379.6	EP2586205	PUBLISHED 01/05/2013
14. Data stream rate adaptation mechanism	GI Provision Limited	USA	22/06/2010	13/704102	US-2013-0263202	PUBLISHED 03/10/2013
15. Antenna module for a wireless communications device	GI Provision Limited	USA	07/07/2010	13/808828	US-2013-0257680	PUBLISHED 03/10/2013
16. Data Distribution System and Apparatus therefore	Global Invacom Limited	European Countries - see Note (2)	16/07/2010	11734174.3	EP2594068	PUBLISHED 22/05/2013
16. Data Distribution System and Apparatus therefore	Global Invacom Limited	USA	16/07/2010	13/810321	US2013/ 0173816	PUBLISHED 04/07/2013
17. Antenna mounting system	Global Invacom Limited	GB	06/06/2013	1319650	N/A	PENDING
17. Antenna mounting system	Global Invacom Limited	European countries -see Note (2)	06/06/2013		N/A	PENDING
17. Antenna mounting system	Global Invacom Limited	Taiwan	06/06/2013	103119702	N/A	PENDING
17. Antenna mounting system	Global Invacom Limited	USA	06/06/2013		N/A	PENDING
18. Data Distribution apparatus (See note 7)	Global Invacom Limited	GB	03/12/2012	1321331.9	N/A	PENDING
18. Data Distribution apparatus (See note 7)	Global Invacom Limited	Taiwan	17/02/2014	103105129	N/A	PENDING
19. HDMI LNB IF Link (See note 7)	Global Invacom Limited	GB	03/12/2012	1321320.2	N/A	PENDING
20. Transponder to receiver wireless communication	Global Invacom Limited	GB	30/04/2013	1307771.4	N/A	PENDING
21. Video and/or audio services distribution apparatus and method (Triple Play)	Global Invacom Limited	European Countries - see Note (2)	28/06/2012	13174375.9	EP2680499	PUBLISHED 01/01/2014
21. Video and/or audio services distribution apparatus and method (Triple Play)	Global Invacom Limited	GB	28/06/2012	1311655.3	N/A	PENDING
22. Video and/or audio distribution system	Global Invacom Limited	European Countries - see Note (2)	28/06/2012	13174428.6	EP2680465	PUBLISHED 01/01/2014
22. Video and/or audio distribution system	Global Invacom Limited	GB	28/06/2012	1311683.5	N/A	PENDING
23. Digital data processing apparatus and method (See note 7)	Global Invacom Limited	GB	02/07/2012	1313844.1	N/A	PENDING
23. Digital data processing apparatus and method	Global Invacom Limited	Taiwan	17/02/2014	103105127	N/A	PENDING
24. Video and/or Audio network system (See note 7)	Global Invacom Limited	GB	24/07/2012	1313215.4	N/A	PENDING
25. Video and Audio Digital Data and Distribution System	Global Invacom Limited	GB	17/09/2012	1315868.8	N/A	PENDING
26. Method for manufacture of a Flexible Waveguide	Global Invacom Limited	GB	25/03/2014	1405320.1	N/A	PENDING
27. Satellite Antenna Assembly	Global Invacom Limited	GB	26/03/2014	1405407.6	N/A	PENDING
28. Satellite Antenna Assembly	Global Invacom Limited	GB	26/03/2014	1405429.0	N/A	PENDING
30. LNB PCB boards	Global Invacom Limited	GB	22/04/2014	1407048.6	N/A	PENDING
31. Transponder to receiver wireless communication	Global Invacom Limited	GB	30/04/2014	14070646.7	N/A	PENDING

17.3 **PCT Applications**

Title and Patent Family Number	Applicant/Owner	Priority Date	Application Number	Publication Number	Status
18. Data distribution apparatus	Global Invacom Ltd	03/12/2012	PCT/GB2013/ 053201	N/A	PENDING
19. HDMI LNB IF Link	Global Invacom Ltd	03/12/2012	N/A	N/A	PENDING
23. Digital data processing apparatus and method	Global Invacom Limited	02/07/2012	PCT/GB2013/ 051751	N/A	PENDING
24. Video and/or Audio network system	Global Invacom Limited	24/07/2012	PCT/GB2013/ 051981	WO2014/016598	PUBLISHED 30/ 01/2014
29. Configuration data transmission system using coaxial and/or fibre optic distribution network	Global Invacom Limited	07/02/2010	PCT/GB2012/ 053034	WO2013/083984	PUBLISHED 13/ 06/2013
17. Antenna mounting system	Global Invacom Limited	07/11/2013	PCT/GB2014/ 051736	N/A	PENDING
31. Transponder to receiver wireless communication	Global Invacom Limited	PCT	PCT/GB2014/ 000170	N/A	PENDING

Notes:

(1) Some of the patent applications are required to be renewed on a typically annual basis. The above have such current renewals, where applicable.

(2) For European patent applications, all countries which were party to the European Patent Convention ("EPO") when the application was filed are provisionally covered by the application. For the list of countries that are part of EPO – see http://www.epo.org/about-us/organisation/member-states.html. When the application is granted the decision is then made by the patent holder as to which of the European member countries they wish to put the patent into force in.

(3) For those entries indicated as PCT applications, they are filed under the Patent Cooperation Treaty on a worldwide basis which allows the applicant a period of time of up to 30 months in certain countries and 31 months in other countries, from the Priority Date of the application, to decide in which of the available countries or regions they wish to file the patent applications. For the list of countries and regions that are part of the PCT – see http://www.wipo.int/pct/en/list_states.pdf.

(4) The applications for these patents were filed in the name of PCTL. These patents were acquired by GI Provision Limited pursuant to the Business Asset Sale Agreement dated 19 April 2011 and have been assigned to GI Provision Limited.

(5) The applications for these patents were filed in the name of PCTL. These patents were acquired by GI Provision Limited pursuant to the Business Asset Sale Agreement dated 19 April 2011 and have been assigned to GI Provision Limited. This change in ownership is in the process of being registered with the British Patent Office.

(6) Patent applications, including national phase applications through the PCT, in the USA necessarily at first instance require the names of the inventors to be reflected as the applicant(s). In PCT applications, the applicant on record would typically be Global Invacom Limited or GI Provision Limited for all countries except for the USA, and the inventors would be the applicant(s) on record for the USA. Generally in patent prosecution, it is normal for an assignment from the inventors to the relevant company to be subsequently registered with the USA patent office. The GIHL Group regards itself as beneficially entitled, through Global Invacom Limited or GI Provision Limited, to ownership in applications that have not been formally assigned yet.

(7) A British patent application and PCT application are pending for the same invention.

17.4 Save as disclosed in this document, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Group's business or profitability.

18. Working Capital

The Directors are of the opinion having made due and careful enquiry that, taking into account the estimated net proceeds of the Placing and the facilities available to the Group, the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

19. Litigation

19.1 K.L.M. Steels Limited ("KLM") and GIL were both parties to a framework agreement and an equipment hire agreement (together, the "Agreements"), both dated 12 April 2012, pursuant to which KLM agreed to supply steel products to GIL which GIL would use in the manufacture and supply of satellite dishes. On 7 January 2014, GIL terminated both of the Agreements on the basis of various repudiatory breaches of the Agreements by KLM. KLM has since alleged that GIL's termination of the Agreements was wrongful and on 31 March 2014 it issued a claim form, claiming damages of not less than £1,052,311, plus interest and costs. GIL served its defence and counter-claim on 20 May 2014, in which it counter-claimed for damages of not less than £729,596.41, plus interest and costs.

19.2 Raven has received indications of claims from seven of its ex-employees, in relation to noise induced hearing loss suffered at work, at Raven's site at Accrington. It is not possible at this stage to assess the quantum of such claims. All of the claims relate to the period prior to the acquisition of Raven by GIHL in 2013.

19.3 Save as disclosed in paragraphs 19.1 and 19.2 above, no member of the Group is or has during the 12 months preceding the date of this document been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or the Group.

20. No Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2013, the date to which the historical financial information set out in Part III of this document was prepared.

21. Accounting Matters

21.1 Moore Stephens LLP are the auditors of the Company and audited the financial statements of the Company for each of the financial years covered by the historical financial information set out in Part III of this document. Moore Stephens LLP is a member of the Chartered Institute of Accountants in England and Wales.

21.2 The financial information relating to the Group contained in this document does not constitute statutory accounts for the purposes of section 434 of the Companies Act.

21.3 The accounting reference date of the Company is 31 December in each year. The current accounting reference period of the Company ends on 31 December 2014.

22. Sources of Information

22.1 Information in this document has been source from the Eutelsat Cable and Satellite TV Survey 2010.

22.2 The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and that, so far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23. Consents

23.1 finnCap and Mirabaud have given and not withdrawn their written consent to the inclusion in this document of the references to their names in the form and context in which they appear.

23.2 Moore Stephens LLP has given and not withdrawn its written consent to the inclusion in this document of its report set out in Part III of this document and the references to it and to its name in the form and context in which they appear.

24. General

24.1 The total costs and expenses payable by the Company in connection with or incidental to the Placing and Admission are estimated to be approximately £1 million (exclusive of VAT). The gross proceeds of the Placing are estimated to be approximately £8.8 million and the net proceeds of the Placing are estimated to be approximately £7.7 million.

24.2 The entirety of the Placing Price represents a premium on each Placing Share.

24.3 The Directors are not aware of any exceptional factors which have influenced the Group's activities.

24.4 So far as the Directors are aware, there have not, in relation to any member of the Group, been:

(a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or

(b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.

24.5 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

24.6 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission or has entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more;

(b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

24.7 There have been no takeover bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

25. Availability of this document

Copies of this document will be available to the public free of charge at the offices of K&L Gates LLP at One New Change, London EC4M 9AF during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website at www.globalinvacom.com.

Dated: 27 June 2014

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