



GLOBAL INVACOM GROUP LIMITED
(Incorporated in Singapore)
(Company Registration No: 200202428H)

PROPOSED ACQUISITION OF SKYWARE GLOBAL

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Global Invacom Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 1 June 2015 entered into a share purchase agreement (“**Share Purchase Agreement**”) with (i) Satellite Acquisition Corporation (the “**Target**”, and together with its subsidiaries, the “**Target Group**”); and (ii) Satellite Holdings LLC (the “**Vendor**”), to acquire the entire issued and paid-up share capital of the Target (“**Target Shares**”), which does business as Skyware Global (“**Skyware Global**”), from the Vendor (“**Proposed Acquisition**”).

2. KEY TERMS OF THE PROPOSED ACQUISITION

2.1 Consideration. The total consideration to be paid by the Company to the Vendor for the Target Shares shall equal to an amount of approximately US\$11.6 million to be satisfied by way of:

- (a) 27,957,828 ordinary shares (“**Consideration Shares**”) of the Company, which shall represent approximately 9.9% of the total issued and paid-up share capital of the Company immediately following completion of the Proposed Acquisition (“**Completion**”), taking into account treasury shares. The value of the Consideration Shares as at 29 May 2015 is approximately US\$6.6 million.

The value of the Consideration Shares is calculated on the basis of the volume-weighted average share price (“**VWAP**”) of S\$0.3185 or US\$0.2362 (based on an exchange rate of US\$1.00 = S\$1.3483) as at 29 May 2015, in accordance with Rule 1003(3) of the SGX-ST Listing Manual which states that where consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. Based on the audited financial statements of the Company for FY2014, the net asset value (“**NAV**”) per share of the Company is approximately US\$0.2233 per share. Therefore, the Company has used the VWAP as at 29 May 2015 to determine the value of the Consideration Shares.

As of the date of this Announcement, the Company has 24,953,000 treasury shares representing approximately 9.7% of the share capital of the Company excluding treasury shares. Pursuant to the Company’s share buyback mandate obtained on 29

April 2015, the Company is authorised to purchase up to 25,744,930 ordinary shares of the Company during the period commencing 29 April 2015, the date of the Company's annual general meeting, and expiring on the date the next annual general meeting is or is required to be held, whichever is the earlier. Notwithstanding, pursuant to Section 76I of the Companies Act (Chapter 50), the maximum number of shares permitted to be held as treasury shares by the Company, a Singapore-incorporated company, cannot at any time exceed 10% of its total number of issued shares. Accordingly, the Company is authorised to only further purchase up to 3,287,230 ordinary shares of the Company, and hold the same as treasury shares.

The Proposed Acquisition contemplates the transfer of existing and to be acquired treasury shares to the Vendor as Consideration Shares. The Company will not be issuing and allotting any new ordinary shares for purposes of the Proposed Acquisition.

- (b) Subsequent to Completion, an amount equal to approximately 0.5554 times of any revenue in excess of US\$52,284,000 earned by the Target and/or its subsidiaries during the period commencing on 1 June 2015 and ending on 31 May 2016, subject to a maximum cash earn-out of US\$5,000,000 ("**Earn-Out**").

The Earn-Out, where payable, shall be paid using the Company's internal resources.

The Consideration was arrived at after arm's length negotiations and on a willing buyer and willing seller basis, taking into account, *inter alia*, the synergies between the Company and the Target Group, the business prospects of the Target Group, the value and industry experience of the management team of the Target Group.

2.2 Conditions Precedent. Completion is conditional upon certain customary conditions precedent having been satisfied, fulfilled and/or waived in accordance with the terms of the Share Purchase Agreement, including but not limited to:

- (a) the approval of the Company shareholders at an extraordinary general meeting to be convened ("**EGM**") by way of ordinary resolution for the Proposed Acquisition;
- (b) all of the representations and warranties of the Vendor, the Company and the Target set forth in the Share Purchase Agreement being true and correct in all material respects, and any such representations or warranties that are qualified by materiality or material adverse effect being true in all respects, at and as of the date of Completion ("**Completion Date**") or such earlier date as the representations or warranties may by their terms speak of;
- (c) the Vendor, the Company and the Target having performed and complied in all material respects with each agreement, covenant and obligation required of it by the Share Purchase Agreement and its related documents to be so performed or complied with at or before the Completion Date;
- (d) no action, suit or proceeding pending before any governmental authority wherein an order would (a) prevent consummation of any of the transactions contemplated by the Share Purchase Agreement and its related documents, (b) cause any of the transactions contemplated by the Share Purchase Agreement and its related documents to be rescinded following their consummation, (c) materially and

adversely affect the right of the Company to own the Target and its subsidiaries or (d) materially and adversely affect the right of the Target and its subsidiaries to continue to own their respective assets and to operate their respective businesses (and no such order shall be in effect);

- (e) the Vendor having delivered to the Company an officer's certificate to the effect that the Vendor and the Target have in all respects satisfied the conditions in respect of themselves referred to in 2.2 (b), (c) and (d) above, and the Company having delivered to the Vendor an officer's certificate to the effect that the Company has in all respects satisfied the conditions in respect of itself referred to in 2.2 (b), (c) and (d) above;
- (f) all members of the boards of directors or equivalent governing body and such officers of the Target and its subsidiaries having tendered, effective as of the Completion Date, their resignations as such directors or equivalent governing positions and officers;
- (g) the Vendor having delivered to the Company certified copies of the resolutions duly adopted by the board of directors or equivalent governing body of the Target and the Vendor, as applicable, authorising the execution, delivery and performance of the Share Purchase Agreement and its related documents to which the Target or the Vendor, as applicable, is a party, and the consummation of all of the transactions contemplated thereby;
- (h) the Company having delivered to Vendor certified copies of the resolutions duly adopted by the board of directors or equivalent governing body of the Company and the resolutions duly adopted by the Shareholders of the Company authorising the execution, delivery and performance of the Share Purchase Agreement and its related documents to which the Company is a party, and the consummation of all of the transactions contemplated thereunder;
- (i) the Vendor having delivered, or caused to have been delivered, to the Company all of the items required to have been delivered at the Completion Date, and the Company having delivered, or caused to have been delivered to Vendor, all of the items required to have been delivered at the Completion Date;
- (j) the Company having, subject to completion of reasonable due diligence, (a) appointed Gregory Jones to serve as a director on the board of directors of the Company, (b) received all relevant consents and approvals required in order to make effective such appointment and (c) delivered to the Vendor evidence reasonably acceptable to the Vendor of such appointment and receipt of such consents and approvals;
- (k) the Company having entered into and obtained a fully executed copy of the third amendment to the Credit Agreement (as defined below), together with the relevant documentation for the release of the Vendor and its direct or indirect equity holders from all of its and their respective obligations under the Credit Agreement, in each case duly executed by each of the relevant parties thereto; and
- (l) the Vendor having delivered to the Company a fully executed copy of a guarantee pursuant to which Edgewater Growth Capital Partners II, L.P. shall guarantee

US\$1,500,000 of the amounts outstanding under the revolving credit, term loan and security agreement dated 23 December 2013 between Raven Antenna Systems, Inc. and any such person joined thereto as a borrower from time to time, collectively, the financial institutions from time to time parties thereto as lender and PNC Bank, National Association, as agent for the lenders, as amended (the "**Credit Agreement**").

2.3 Lock-Up Restrictions. The Vendor agrees that for a period of one (1) year after Completion, it will not, without the prior written consent of the Company, which may withhold its consent in its sole discretion, (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of the shares of the Company currently or hereafter owned either of record or beneficially by the Vendor or any affiliate thereof; or (ii) publicly disclose the intention to make any such offer, sale, pledge or disposal; Provided, that the foregoing restriction shall cease to be effective immediately upon (x) the consummation of a change in control of the Company or the Target Group, other than any such change of control occurring as a result of an internal reorganisation of the Company or the Target Group; or (y) Anthony Brian Taylor ceasing to be the Executive Chairman of the Company, or any successor entity of the Company.

3. SKYWARE GLOBAL

Skyware Global is a leading designer and manufacturer of satellite antenna products covering C-band, Ku-band and the emerging Ka-band frequency platforms. Its range of products include consumer broadband equipment providing connectivity to customers for internet access, antennas and mounts for virtual private networks and rural telecommunications, and direct-to-home antennas for home satellite systems.

Skyware Global collaborates to deliver the cutting-edge, "bundled" outdoor solutions to existing and new customers. In addition to hardware, Skyware Global provides solutions-based services such as turn-key design, engineering, product integration and program management. Skyware Global also offers a variety of value-added services such as radio frequency testing, fulfillment, and logistics. For further information on Skyware Global, please visit www.skywareglobal.com.

4. RATIONALE FOR THE PROPOSED ACQUISITION

Commercial Value of Skyware Global

The Board believes that the Proposed Acquisition will expand the Company's geographical reach and access to global broadcasters, as well as its suite of technological capabilities.

Skyware Global operates an extensive production facility in a low labour cost area in the United States and manufactures a broad array of products, which include both metal and sheet moulding composite (SMC) dishes in the C, Ku and Ka bands and their related accessories. Skyware Global's manufacturing capability is further enhanced by a keen emphasis on technological research and development through an on-site state-of-the-art near-field test chamber. Skyware Global also maintains a highly experienced specialist sales force in the satellite broadband (VSAT) sector, a strong United States-based development team led by a highly respected industry figure, and a capable and enthusiastic management team. Through the years, Skyware Global has developed and continues to build on relationships with established broadcasters.

The Board believes that Skyware Global's extensive experience in the United States will further the Company's strategic plans and on-going efforts to become a leading global satellite communications player, with manufacturing operations and a combined sales force across Asia, Europe and the Americas. With the integration of Skyware Global into the Company's business operations and the new range of complementary products and services, the Company will be able to present itself to the world as a global one-stop service provider.

Given the synergy and efficiencies which will be created by the addition of Skyware to the business of the Company, the Board believes that the Proposed Acquisition will enhance shareholder value through a growth in earnings, profits and share price over the long term, and therefore is in the interests of and beneficial to the Group.

Opportunistic Acquisition by the Company

The Board further believes the Proposed Acquisition is opportunistic as the new senior management of Skyware Global (who were recruited in the last two years) has shifted from its earlier strategy, which was focused on rapid top line sales growth at the expense of Skyware Global's bottom line. The new direction adopted by the new senior management of Skyware Global instead focuses on the maintenance and growth of sustainable business relationships with key broadcasters. Central to this has been a focus on higher end high precision Ka-band dishes (VSAT or data over satellite dishes) with market leading vendors.

The pro forma result has been a gross margin improvement from approximately 16% in the financial year ended 31 December 2012 to approximately 24% in the financial year ended 2014, with sales over the same period reduced from approximately US\$79 million to US\$52 million. The Board notes that while Skyware Global is still loss-making, it has to-date made a significant improvement in its bottom line pursuant to its senior management's new business approach. For the avoidance of doubt, the Board intends to retain the services of the senior management of Skyware Global to manage Skyware Global upon completion of the Proposed Acquisition.

The Board is confident that through synergies, cross selling and other efficiencies in manufacturing, sourcing, and logistics, Skyware Global can be made to break even in a reasonably short timescale, and return to profitability thereafter. To date, an improvement to the Skyware Global's financial performance has been achieved by reducing manufacturing costs while at the same time investing for the long term. Skyware Global has assembled a strong and capable technical R&D team and has developed a sophisticated product range and test facilities.

5. MAJOR TRANSACTION

5.1 Relative Figures. The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (d) of the SGX-Mainboard Listing Manual are as follows:

Rule 1006(a):

Net asset value of assets to be disposed of, compared with the Group's net asset value	Not applicable
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Rule 1006(b): Net profit/(loss) attributable to the assets acquired, compared with the Group's net profit	(85.71%) ⁽¹⁾
Rule 1006(c): The value of the Consideration Shares and Earn-Out payment compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	19.08% ⁽²⁾
Rule 1006(d): Number of equity securities issued by the Company as Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	10.86% ⁽³⁾

Notes:

- (1) The audited net loss attributable to the Target for the financial year ended 31 December 2014 was US\$4,725,000, whereas the audited net profit attributable to the Group for the financial year ended 31 December 2014 was US\$5,513,000. Net profit/(loss) is defined as profit or loss before income tax, minority interest and extraordinary items.
- (2) Based on the VWAP of S\$0.3185 or US\$0.2362 (based on an exchange rate of US\$1.00 = S\$1.3483) as at 29 May 2015 (*Source: Bloomberg*), the 27,957,828 Consideration Shares have a market value of approximately US\$6,604,000. Based on the audited financial statements of the Company for FY2014, the NAV per share of the Company is approximately US\$0.2233 per share. The NAV represented by the Consideration Shares would amount to approximately US\$6,243,000. Pursuant to Rule 1003(3) of the Listing Manual, the market value represented by the Consideration Shares was used to compute the relative figures for Rule 1006(c). A maximum Earn-Out amount of US\$5,000,000 has been included for the purposes of computing the aggregate consideration for the Proposed Acquisition. The market capitalisation of US\$60,810,000 is derived from the volume weighted average price of S\$0.3185 or US\$0.2362 (based on an exchange rate of US\$1.00 = S\$1.3483) per share as at 29 May 2015 (*Source: Bloomberg*).
- (3) Based on the 27,957,828 Consideration Shares to be transferred as part of the consideration for the Proposed Acquisition and the 257,449,299 existing issued ordinary shares in the share capital of the Company excluding treasury shares. The Consideration Shares are to be satisfied by way of, *inter alia*, the transfer of all the existing treasury shares currently held by the Company. If the existing treasury shares were to be included in the computation of the share capital of the Company, the relative figure under Rule 1006(d) would be equal to 9.90%.

5.2 Major Transaction. The Board notes that the relative figures under Rules 1006(b) (read with Rule 1007) of the Listing Manual exceed 20%. Accordingly, the Proposed Acquisition constitutes a "Major Transaction" under Chapter 10 of the SGX-Mainboard Listing Manual, and shall be subject to shareholders' approval.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Assumptions

The pro forma financial effects of the Proposed Acquisition set out below are purely for illustration purposes only and do not reflect the actual future financial situation of the Company or the Group after completion of the Proposed Acquisition.

The pro forma financial effects of the Proposed Acquisition presented below:

- (a) have been calculated on the assumption that the maximum Earn-Out of US\$5,000,000 is payable as part of the consideration;
- (b) have been prepared based on the audited consolidated financial statements of the Group and the audited consolidated financial statements of the Target for the financial year ended 31 December 2014;
- (c) have not taken into account the expenses for the Proposed Acquisition; and
- (d) assumes that the Proposed Acquisition had been completed (i) on 1 January 2014 for illustrating the financial effects on the earnings per share (“EPS”) of the Group; and (ii) on 31 December 2014 for illustrating the financial effects on the net tangible asset (“NTA”) per share of the Group.

6.2 NTA per share

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group as at 31 December 2014 (US\$'000)	51,474	38,931
Number of issued shares excluding treasury shares ('000)	269,059	282,402
NTA per share (US cents)	19.13	13.79

6.3 EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit of the Group for the year ended 31 December 2014 (US\$'000)	5,102	357
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	252,121	260,163
Basic EPS per share (US cents)	2.02	0.14

7. INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

None of the directors (other than in his capacity as a director or shareholder of the Company) and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

To the best of the knowledge of the Board, there are no controlling shareholders in the Company (other than in their respective capacities as a shareholder of the Company) who has any interest, direct or indirect, in the Proposed Acquisition.

8. DOCUMENTS FOR INSPECTION

A copy of the Share Purchase Agreement will be made available for inspection during normal business hours at the registered office of the Company at 8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988 for three (3) months from the date of this Announcement.

9. SERVICE CONTRACTS

Save as described below, there are no directors who are proposed to be appointed as a director of the Company in connection with the Proposed Acquisition.

As a Condition Precedent to Completion, the Company will enter into a service contract with Mr Gregory Jones, subject to completion of customary due diligence, such service agreement to be on terms and conditions acceptable to the Company, pursuant to which Mr Gregory Jones, Partner of Edgewater Funds, shall be appointed to the Board as a non-executive non-independent director.

10. CAUTION IN TRADING

Shareholders are advised to continue exercising caution in trading their shares and to read this Announcement together with all other existing and future announcements by the Company in relation to the Proposed Acquisition carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

11. RESPONSIBILITY STATEMENT

The directors of the Company ("**Directors**") (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (other than information relating to the Skyware Global) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein (other than information relating to the Skyware Global) are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information is accurately and

correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

2 June 2015