



GLOBAL INVACOM GROUP LIMITED

Incorporated in Singapore
(Company Registration No: 200202428H)

UPDATE ON SKYWARE GLOBAL AND PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors of Global Invacom Group Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to update Shareholders on the following:

a) Skyware Global

Skyware Global (“Skyware”), headquartered in North Carolina, is a leading U.S. design manufacturer of antennas for Broadband, Satellite and Very Small Aperture Terminals (VSAT) covering C-band, Ku-band and Ka-band frequency platforms. The Board refers to its announcement dated 25 August 2015 on the completion of the acquisition of Skyware and wishes to update that:

(i) Strengthening of Skyware’s Management Team

Non-main Board appointment: Mr Andy Thomson has been appointed Skyware’s Chief Executive Officer. Mr Thomson brings more than 30 years of experience in manufacturing, engineering, supply chain management, sales, commercial and medical services and the defence and aerospace industries. Prior to this, he was the Vice President of Operations for EchoStar Technologies. He has extensive experience in managing plant operations in Asia, Europe and North America.

New senior personnel for Production, Quality and Supply Chain roles were also appointed.

(i) Improvement in Operational and Internal Efficiencies

The Skyware sales team has been successfully integrated into the Group and all sales representatives are now able to offer the Group’s global suite of products to all customers. As a result of its consolidated global sales network, the Group expects to increase its sales and marketing presence in South America, Malaysia, Indonesia, Africa and Europe in the financial year ending 31 December 2016 (“FY2016”).

In addition, the Group is centralising its logistics and warehousing services for its U.S. markets at its North Carolina facility to drive greater operational efficiencies and cost-savings in the long run.

Following the restructuring and consolidation efforts, the Group is confident, barring unforeseen circumstances, of returning Skyware to profitability.



b) Profit Guidance for the FY2015

Following a preliminary review of the projected unaudited financial statements of the Group, the Company wishes to provide a profit guidance for FY2015.

The Group expects its underlying financial performance for the six months ended 31 December 2015 ("2H FY2015") to be improved compared to the six months prior, ended 30 June 2015 ("1H FY2015"). This improvement is predominantly due to the resumption of sales to three main customers resulting in an increase in revenue and margin, excluding the acquisition and restructuring costs of Skyware. Despite this improvement in 2H trading, the Group expects to report an overall net loss between US\$1.0 million and US\$2.0 million for FY2015 due primarily to the following:

- Delay in sales to main customers in the U.S., U.K. and Asia during 1H FY2015. Three main customers either de-stocked or altered their procurement procedures during the period with one undertaking a significant technology change, which usually occurs about once every 8-10 years. This required the customer to reassess its inventory levels. All orders have since re-started, as announced on 18 August 2015.
- Gross margins were affected due to the re-classification of export taxes for certain products that the Group is contesting, the weakening Malaysian Ringgit against the US dollar affecting its Malaysian operations and the lack of availability of good semi-conductor devices which delayed production and led to additional logistics costs.

In addition to the above factors, the Group incurred other one-off expenses:

- Costs and release of Earn Out in relation to Skyware's acquisition, which included the restructuring of its facility in 2H 2015;
- Costs of defending an ongoing legal dispute with a supplier of its U.K. subsidiary that the Group is strongly defending. The Group had made a US\$0.4 million provision in its FY2014 accounts in respect of this dispute;
- A write-off of capitalised development costs in its U.K. subsidiary, GI Provision; and
- Restructuring of its U.K. and Shanghai facilities in 1H FY2015 to streamline internal efficiencies.

Further details of the Group's performance will be disclosed when the Company announces its financial results for FY2015 on or around 25 February 2015.

Shareholders are advised to act cautiously when dealing with their shares in the Company and when doing so should consider the financial results of the Group for FY2015. When in doubt as to the action they should take, shareholders and potential investors should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.



BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

10 February 2016

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About Global Invacom Group Limited

Global Invacom Group Limited ("Global Invacom") is listed on the Singapore Exchange Securities Trading Limited Mainboard ("SGX-ST") and its shares are admitted to trading on the AIM Market of the London Stock Exchange in the U.K.

Global Invacom is a fully integrated satellite equipment provider with seven manufacturing plants across China, Israel, Malaysia, U.K. and the U.S. Its customers include satellite broadcasters such as BSkyB of the U.K. and Dish Network of the U.S.A.

On 25 August 2015, Global Invacom completed the acquisition of Skyware Global, a leading U.S.-based designer and supplier of satellite antenna products and services for C-band, Ku-band and Ka-band frequency platforms, positioning itself as the world's only full-service outdoor unit supplier.

Global Invacom provides a full range of dish antennas, LNB receivers, transmitters, switches and video distribution components and electronics manufacturing services in satellite communications as well as manufacturing services in TV peripherals, computer peripherals, medical, and consumer electronics industries.

For more information please refer to www.globalinvacom.com