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## GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 200202428H)

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### FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

#### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income for the 12 months ended 31 December 2015. These figures have not been audited.

|   | Group              |                    |                              |
|---|--------------------|--------------------|------------------------------|
|   | FY2015<br>US\$'000 | FY2014<br>US\$'000 | Increase/<br>(Decrease)<br>% |
| Revenue   | 129,107            | 134,135            | (3.7)                        |
| Cost of sales   | (104,210)          | (102,344)          | 1.8                          |
| Gross profit  | 24,897             | 31,791             | (21.7)                       |
| Other income  | 5,175              | 195                | N.M.                         |
| Distribution costs  | (592)              | (221)              | 167.9                        |
| Administrative expenses   | (28,996)           | (25,533)           | 13.6                         |
| Other operating expenses  | (1,538)            | (767)              | 100.5                        |
| Finance income  | 17                 | 63                 | (73.0)                       |
| Finance costs   | (256)              | (15)               | N.M.                         |
| <b>(Loss)/Profit before income tax<sup>(i)</sup></b>                                | <b>(1,293)</b>     | <b>5,513</b>       | <b>N.M.</b>                  |
| Income tax credit/(expense)   | 165                | (411)              | N.M.                         |
| <b>(Loss)/Profit after income tax attributable to equity holders of the Company</b> | <b>(1,128)</b>     | <b>5,102</b>       | <b>N.M.</b>                  |

**Other comprehensive loss:**

|  |                |              |             |
|--|----------------|--------------|-------------|
| Items that may be reclassified subsequently to profit or loss  |                |              |             |
| - Exchange differences on translation of foreign subsidiaries  | (921)          | (1,023)      | (10.0)      |
| - Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary | -              | 208          | N.M.        |
|  | (921)          | (815)        | 13.0        |
| Items that may not be reclassified subsequently to profit or loss  | -              | -            | -           |
| <b>Other comprehensive loss for the year, net of tax</b>   | <b>(921)</b>   | <b>(815)</b> | <b>13.0</b> |
| <b>Total comprehensive (loss)/income for the year attributable to equity holders of the Company</b>  | <b>(2,049)</b> | <b>4,287</b> | <b>N.M.</b> |

N.M.: Not Meaningful

**Note:**

(i) (Loss)/Profit before income tax was determined after (charging)/crediting the following:

|  | <b>Group</b>               |                            | <b>Increase/<br/>(Decrease)<br/>%</b> |
|--|----------------------------|----------------------------|---------------------------------------|
|  | <b>FY2015<br/>US\$'000</b> | <b>FY2014<br/>US\$'000</b> |                                       |
| Write-back of contingent consideration payable           | 5,000                      | -                          | N.M.                                  |
| Gain on disposal of intangible assets                    | -                          | 14                         | N.M.                                  |
| Gain/(Loss) on foreign exchange                          | 154                        | (559)                      | N.M.                                  |
| Interest income  | 17                         | 63                         | (73.0)                                |
| Interest expense on borrowings                           | (256)                      | (15)                       | N.M.                                  |
| (Loss)/Gain on disposal of property, plant and equipment | (58)                       | 18                         | N.M.                                  |
| Loss on de-registration of subsidiary                    | -                          | (208)                      | N.M.                                  |
| Provision for litigation                                 | -                          | (389)                      | N.M.                                  |
| Impairment of trade receivables                          | (359)                      | (8)                        | N.M.                                  |
| Impairment of intangible assets                          | (1,121)                    | -                          | N.M.                                  |
| Depreciation of property, plant and equipment            | (1,919)                    | (1,728)                    | 11.1                                  |
| Amortisation of intangible assets                        | (431)                      | (381)                      | 13.1                                  |
| Allowance for inventory obsolescence                     | (449)                      | (120)                      | 274.2                                 |
| Operating lease expense                                  | (1,973)                    | (1,703)                    | 15.9                                  |
| Research and development expense                         | (1,082)                    | (477)                      | 126.8                                 |

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|                                     | Group                   |                         | Company                 |                         |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                     | 31 Dec 2015<br>US\$'000 | 31 Dec 2014<br>US\$'000 | 31 Dec 2015<br>US\$'000 | 31 Dec 2014<br>US\$'000 |
| <b>ASSETS</b>                       |                         |                         |                         |                         |
| <b>Non-current Assets</b>           |                         |                         |                         |                         |
| Property, plant and equipment       | 13,896                  | 11,082                  | 1                       | 7                       |
| Investments in subsidiaries         | -                       | -                       | 53,155                  | 47,446                  |
| Goodwill                            | 9,352                   | 4,153                   | -                       | -                       |
| Intangible assets                   | 3,069                   | 4,456                   | -                       | -                       |
| Available-for-sale financial assets | 8                       | 8                       | -                       | -                       |
| Deferred tax asset                  | 723                     | 743                     | -                       | -                       |
| Other receivables and prepayments   | 56                      | -                       | 8,262                   | 8,283                   |
|                                     | <b>27,104</b>           | <b>20,442</b>           | <b>61,418</b>           | <b>55,736</b>           |
| <b>Current Assets</b>               |                         |                         |                         |                         |
| Due from subsidiaries               | -                       | -                       | 139                     | 1,099                   |
| Inventories                         | 27,859                  | 27,010                  | -                       | -                       |
| Trade receivables                   | 21,306                  | 15,406                  | -                       | -                       |
| Other receivables and prepayments   | 3,973                   | 2,669                   | 5,705                   | 5,541                   |
| Tax receivables                     | 431                     | -                       | -                       | -                       |
| Cash and cash equivalents           | 8,866                   | 21,202                  | 1,637                   | 7,331                   |
|                                     | <b>62,435</b>           | <b>66,287</b>           | <b>7,481</b>            | <b>13,971</b>           |
| <b>Total assets</b>                 | <b>89,539</b>           | <b>86,729</b>           | <b>68,899</b>           | <b>69,707</b>           |
| <b>EQUITY AND LIABILITIES</b>       |                         |                         |                         |                         |
| <b>Share Capital and Reserves</b>   |                         |                         |                         |                         |
| Share capital                       | 60,423                  | 60,423                  | 74,240                  | 74,240                  |
| Treasury shares                     | (1,656)                 | (3,421)                 | (1,656)                 | (3,421)                 |
| Reserves                            | (4,305)                 | 3,081                   | (11,202)                | (9,201)                 |
| <b>Total equity</b>                 | <b>54,462</b>           | <b>60,083</b>           | <b>61,382</b>           | <b>61,618</b>           |
| <b>Non-current Liabilities</b>      |                         |                         |                         |                         |
| Other payables                      | 1,333                   | 433                     | -                       | -                       |
| Deferred tax liabilities            | 171                     | 538                     | -                       | -                       |
|                                     | <b>1,504</b>            | <b>971</b>              | <b>-</b>                | <b>-</b>                |
| <b>Current Liabilities</b>          |                         |                         |                         |                         |
| Due to subsidiaries                 | -                       | -                       | 4,653                   | 2,556                   |
| Trade payables                      | 19,392                  | 14,499                  | -                       | -                       |
| Other payables                      | 8,524                   | 10,571                  | 2,779                   | 5,459                   |
| Borrowings                          | 5,348                   | -                       | -                       | -                       |
| Provision for income tax            | 309                     | 605                     | 85                      | 74                      |
|                                     | <b>33,573</b>           | <b>25,675</b>           | <b>7,517</b>            | <b>8,089</b>            |
| <b>Total liabilities</b>            | <b>35,077</b>           | <b>26,646</b>           | <b>7,517</b>            | <b>8,089</b>            |
| <b>Total equity and liabilities</b> | <b>89,539</b>           | <b>86,729</b>           | <b>68,899</b>           | <b>69,707</b>           |

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

| As at 31 Dec 2015 |           | As at 31 Dec 2014 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| US\$'000          | US\$'000  | US\$'000          | US\$'000  |
| 5,348             | -         | -                 | -         |

**Amount repayable after one year**

| As at 31 Dec 2015 |           | As at 31 Dec 2014 |           |
|-------------------|-----------|-------------------|-----------|
| Secured           | Unsecured | Secured           | Unsecured |
| US\$'000          | US\$'000  | US\$'000          | US\$'000  |
| -                 | -         | -                 | -         |

**Details of any collateral**

The loans of US\$5,348,000 were secured over the subsidiaries' bank deposit of US\$400,000, cash collateral of US\$1,000,000 and corporate guarantees provided by the Company.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | Group              |                    |
|---|--------------------|--------------------|
|   | FY2015<br>US\$'000 | FY2014<br>US\$'000 |
| <b>Cash Flows from Operating Activities</b>                   |                    |                    |
| (Loss)/Profit before income tax                               | (1,293)            | 5,513              |
| Adjustments for:  |                    |                    |
| Depreciation of property, plant and equipment                 | 1,919              | 1,728              |
| Amortisation of intangible assets                             | 431                | 381                |
| Loss on de-registration of subsidiary                         | -                  | 208                |
| Loss/(Gain) on disposal of property, plant and equipment      | 58                 | (18)               |
| Gain on disposal of intangible assets                         | -                  | (14)               |
| Allowance for inventory obsolescence                          | 449                | 120                |
| Provision for litigation                                      | -                  | 389                |
| Impairment of trade receivables                               | 359                | 8                  |
| Unrealised exchange loss                                      | 221                | 499                |
| Interest income   | (17)               | (63)               |
| Interest expense  | 256                | 15                 |
| Share-based payments  | 222                | 88                 |
| Share awards  | -                  | 5                  |
| Impairment of intangible assets                               | 1,121              | -                  |
| Write-back of contingent consideration payable                | (5,000)            | -                  |
| <b>Operating cash flow before working capital changes</b>     | <b>(1,274)</b>     | <b>8,859</b>       |
| Changes in working capital:                                   |                    |                    |
| Inventories   | 5,584              | (158)              |
| Trade receivables   | 409                | 4,048              |
| Other receivables and prepayments                             | (757)              | (467)              |
| Trade and other payables                                      | (3,234)            | (2,787)            |
| <b>Cash generated from operating activities</b>               | <b>728</b>         | <b>9,495</b>       |
| Interest paid   | (256)              | (15)               |
| Income tax paid   | (986)              | (1,667)            |
| <b>Net cash (used in)/generated from operating activities</b> | <b>(514)</b>       | <b>7,813</b>       |
| <b>Cash Flows from Investing Activities</b>                   |                    |                    |
| Interest received   | 17                 | 63                 |
| Purchase of property, plant and equipment                     | (737)              | (1,982)            |
| Proceeds from disposal of property, plant and equipment       | 6                  | 18                 |
| Proceeds from disposal of intangible assets                   | -                  | 38                 |
| Increased in capitalised development cost                     | (280)              | (1,778)            |
| Acquisition of subsidiary, net of cash acquired               | 501                | (2,156)            |
| Cash consideration paid for reverse acquisition               | (5,500)            | (5,500)            |
| (Increase)/Decrease in restricted cash                        | (771)              | 263                |
| <b>Net cash used in investing activities</b>                  | <b>(6,764)</b>     | <b>(11,034)</b>    |
| <b>Cash Flows from Financing Activities</b>                   |                    |                    |
| Proceeds from borrowings                                      | 21,252             | 1,972              |
| Repayment of borrowings                                       | (21,321)           | (2,100)            |
| Loans from shareholders                                       | 2,850              | -                  |
| Issuance of shares  | -                  | 15,060             |
| Expenses on issuance of shares                                | -                  | (753)              |
| Purchase of treasury shares                                   | (8,829)            | (2,471)            |
| Sale of treasury shares                                       | 2,361              | -                  |

|   |                |               |
|---|----------------|---------------|
| Dividends paid  | (1,078)        | (925)         |
| <b>Net cash (used in)/generated from financing activities</b>                             | <b>(4,765)</b> | <b>10,783</b> |
| Net (decrease)/increase in cash and cash equivalents                                      | (12,043)       | 7,562         |
| Cash and cash equivalents at the beginning of the year                                    | 20,555         | 13,752        |
| Effect of foreign exchange rate changes on the balance of cash held in foreign currencies | (1,064)        | (759)         |
| <b>Cash and cash equivalents at the end of the year<sup>(i)</sup></b>                     | <b>7,448</b>   | <b>20,555</b> |

**Note:**

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

|   | <b>FY2015<br/>US\$'000</b> | <b>FY2014<br/>US\$'000</b> |
|---|----------------------------|----------------------------|
| Cash and bank balances  | 8,397                      | 19,909                     |
| Fixed deposits  | 469                        | 1,293                      |
|   | 8,866                      | 21,202                     |
| Less: Restricted cash*  | (1,418)                    | (647)                      |
| <b>Cash and cash equivalents per the consolidated statement of cash flows</b> | <b>7,448</b>               | <b>20,555</b>              |

\* Restricted cash includes cash collateral amounted to US\$1,000,000 (FY2014: Nil), fixed deposits amounted to US\$400,000 (FY2014: US\$400,000) and bank balance amounted to US\$6,000 (FY2014: US\$238,000) pledged with the banks for banker's guarantee and loans granted to the Group. As at 31 December 2015, the Group had utilised US\$5,348,000 of the facilities and loans granted.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| Group  | Share capital<br>US\$'000 | Treasury shares<br>US\$'000 | Merger reserves<br>US\$'000 | Capital redemption reserves<br>US\$'000 | Share options reserve<br>US\$'000 | Capital reserve<br>US\$'000 | Foreign currency translation reserve<br>US\$'000 | Retained profits<br>US\$'000 | Total<br>US\$'000 |
|--|---------------------------|-----------------------------|-----------------------------|---|-----------------------------------|-----------------------------|--|------------------------------|-------------------|
| <b>Balance as at 1 Jan 2015</b>  | <b>60,423</b>             | <b>(3,421)</b>              | <b>(10,150)</b>             | <b>6</b>                                | <b>131</b>                        | <b>642</b>                  | <b>(360)</b>                                     | <b>12,812</b>                | <b>60,083</b>     |
| Purchase of treasury shares  | -                         | (8,829)                     | -                           | -                                       | -                                 | -                           | -  | -                            | (8,829)           |
| Issuance of treasury shares  | -                         | 7,817                       | -                           | -                                       | -                                 | (4,065)                     | -  | -                            | 3,752             |
| Sale of treasury shares  | -                         | 2,777                       | -                           | -                                       | -                                 | (416)                       | -  | -                            | 2,361             |
| Share-based payments   | -                         | -                           | -                           | -                                       | 222                               | -                           | -  | -                            | 222               |
| Payment of dividends   | -                         | -                           | -                           | -                                       | -                                 | -                           | -  | (1,078)                      | (1,078)           |
| Transfer to capital reserve in accordance with statutory requirements  | -                         | -                           | -                           | -                                       | -                                 | 53                          | -  | (53)                         | -                 |
| Loss for the year  | -                         | -                           | -                           | -                                       | -                                 | -                           | -  | (1,128)                      | (1,128)           |
| Other comprehensive loss:  |                           |                             |                             |   |                                   |                             |  |                              |                   |
| Exchange differences on translating foreign operations   | -                         | -                           | -                           | -                                       | -                                 | -                           | (921)  | -                            | (921)             |
| Total other comprehensive loss for the year  | -                         | -                           | -                           | -                                       | -                                 | -                           | (921)  | (1,128)                      | (2,049)           |
| <b>Balance as at 31 Dec 2015</b>   | <b>60,423</b>             | <b>(1,656)</b>              | <b>(10,150)</b>             | <b>6</b>                                | <b>353</b>                        | <b>(3,786)</b>              | <b>(1,281)</b>                                   | <b>10,553</b>                | <b>54,462</b>     |
| <b>Balance as at 1 Jan 2014</b>  | <b>46,116</b>             | <b>(955)</b>                | <b>(10,150)</b>             | <b>6</b>                                | <b>43</b>                         | <b>555</b>                  | <b>455</b>                                       | <b>8,722</b>                 | <b>44,792</b>     |
| Share awards   | -                         | 5                           | -                           | -                                       | -                                 | -                           | -  | -                            | 5                 |
| Issuance of shares   | 15,060                    | -                           | -                           | -                                       | -                                 | -                           | -  | -                            | 15,060            |
| Expenses on issuance of shares   | (753)                     | -                           | -                           | -                                       | -                                 | -                           | -  | -                            | (753)             |
| Purchase of treasury shares  | -                         | (2,471)                     | -                           | -                                       | -                                 | -                           | -  | -                            | (2,471)           |
| Share-based payments   | -                         | -                           | -                           | -                                       | 88                                | -                           | -  | -                            | 88                |
| Payment of dividends   | -                         | -                           | -                           | -                                       | -                                 | -                           | -  | (925)                        | (925)             |
| Transfer to capital reserve in accordance with statutory requirements  | -                         | -                           | -                           | -                                       | -                                 | 87                          | -  | (87)                         | -                 |
| Profit for the year  | -                         | -                           | -                           | -                                       | -                                 | -                           | -  | 5,102                        | 5,102             |
| Other comprehensive (loss)/income:   |                           |                             |                             |   |                                   |                             |  |                              |                   |
| Exchange differences on translating foreign operations   | -                         | -                           | -                           | -                                       | -                                 | -                           | (1,023)  | -                            | (1,023)           |
| Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary | -                         | -                           | -                           | -                                       | -                                 | -                           | 208  | -                            | 208               |
| Total other comprehensive (loss)/income for the year   | -                         | -                           | -                           | -                                       | -                                 | -                           | (815)  | 5,102                        | 4,287             |
| <b>Balance as at 31 Dec 2014</b>   | <b>60,423</b>             | <b>(3,421)</b>              | <b>(10,150)</b>             | <b>6</b>                                | <b>131</b>                        | <b>642</b>                  | <b>(360)</b>                                     | <b>12,812</b>                | <b>60,083</b>     |

| Company  | Share capital<br>US\$'000 | Treasury shares<br>US\$'000 | Share options reserve<br>US\$'000 | Capital reserve<br>US\$'000 | Foreign currency translation reserve<br>US\$'000 | Accumulated losses<br>US\$'000 | Total<br>US\$'000 |
|--|---------------------------|-----------------------------|-----------------------------------|-----------------------------|--|--------------------------------|-------------------|
| <b>Balance as at 1 Jan 2015</b>                        | <b>74,240</b>             | <b>(3,421)</b>              | <b>131</b>                        | <b>-</b>                    | <b>1,714</b>                                     | <b>(11,046)</b>                | <b>61,618</b>     |
| Purchase of treasury shares                            | -                         | (8,829)                     | -                                 | -                           | -  | -                              | (8,829)           |
| Issuance of treasury shares                            | -                         | 7,817                       | -                                 | (4,065)                     | -  | -                              | 3,752             |
| Sale of treasury shares                                | -                         | 2,777                       | -                                 | (416)                       | -  | -                              | 2,361             |
| Share-based payments                                   | -                         | -                           | 222                               | -                           | -  | -                              | 222               |
| Payment of dividends                                   | -                         | -                           | -                                 | -                           | -  | (1,078)                        | (1,078)           |
| Profit for the year                                    | -                         | -                           | -                                 | -                           | -  | 7,117                          | 7,117             |
| Other comprehensive loss:                              |                           |                             |                                   |                             |  |                                |                   |
| Exchange differences on translating foreign operations | -                         | -                           | -                                 | -                           | (3,781)  | -                              | (3,781)           |
| Total other comprehensive (loss)/income for the year   | -                         | -                           | -                                 | -                           | (3,781)  | 7,117                          | 3,336             |
| <b>Balance as at 31 Dec 2015</b>                       | <b>74,240</b>             | <b>(1,656)</b>              | <b>353</b>                        | <b>(4,481)</b>              | <b>(2,067)</b>                                   | <b>(5,007)</b>                 | <b>61,382</b>     |
| <b>Balance as at 1 Jan 2014</b>                        | <b>59,933</b>             | <b>(955)</b>                | <b>43</b>                         | <b>-</b>                    | <b>4,620</b>                                     | <b>(11,441)</b>                | <b>52,200</b>     |
| Share awards   | -                         | 5                           | -                                 | -                           | -  | -                              | 5                 |
| Issuance of shares                                     | 15,060                    | -                           | -                                 | -                           | -  | -                              | 15,060            |
| Expenses on issuance of shares                         | (753)                     | -                           | -                                 | -                           | -  | -                              | (753)             |
| Purchase of treasury shares                            | -                         | (2,471)                     | -                                 | -                           | -  | -                              | (2,471)           |
| Share-based payments                                   | -                         | -                           | 88                                | -                           | -  | -                              | 88                |
| Payment of dividends                                   | -                         | -                           | -                                 | -                           | -  | (925)                          | (925)             |
| Profit for the year                                    | -                         | -                           | -                                 | -                           | -  | 1,320                          | 1,320             |
| Other comprehensive loss:                              |                           |                             |                                   |                             |  |                                |                   |
| Exchange differences on translating foreign operations | -                         | -                           | -                                 | -                           | (2,906)  | -                              | (2,906)           |
| Total other comprehensive (loss)/income for the year   | -                         | -                           | -                                 | -                           | (2,906)  | 1,320                          | (1,586)           |
| <b>Balance as at 31 Dec 2014</b>                       | <b>74,240</b>             | <b>(3,421)</b>              | <b>131</b>                        | <b>-</b>                    | <b>1,714</b>                                     | <b>(11,046)</b>                | <b>61,618</b>     |



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

**State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

| <b>FY2015</b>   | <b>No. of shares</b> | <b>US\$'000</b> |
|---|----------------------|-----------------|
| Balance as at 1 Jan 2015  | 269,059,299          | 70,819          |
| Purchase of treasury shares   | (37,354,900)         | (8,829)         |
| Treasury share issued pursuant to the acquisition of the entire equity interest in Satellite Acquisition Corporation* | 27,957,828           | 7,817           |
| Sale of treasury shares   | 12,000,000           | 2,777           |
| Balance as at 31 Dec 2015   | <u>271,662,227</u>   | <u>72,584</u>   |

  

| <b>FY2014</b>                  | <b>No. of shares</b> | <b>US\$'000</b> |
|--------------------------------|----------------------|-----------------|
| Balance as at 1 Jan 2014       | 231,802,299          | 58,978          |
| Issuance of share awards       | 30,000               | 5               |
| Issuance of shares             | 44,600,000           | 15,060          |
| Expenses on issuance of shares | -                    | (753)           |
| Purchase of treasury shares    | (7,373,000)          | (2,471)         |
| Balance as at 31 Dec 2014      | <u>269,059,299</u>   | <u>70,819</u>   |

There were 10,740,072 and 13,343,000 treasury shares held by the Company as at 31 December 2015 and 31 December 2014 respectively.

\* 24,334,179 treasury shares were transferred to the vendor on 19 February 2016 and the remaining 3,623,649 treasury shares will be transferred once the vendor lodges the share transfer form with The Central Depository (Pte) Limited ("CDP").

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|   | <b>31 Dec 2015</b> | <b>31 Dec 2014</b> |
|---|--------------------|--------------------|
| Total number of issued shares excluding treasury shares | 271,662,227        | 269,059,299        |

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

| <b>FY2015</b>   | <b>No. of shares</b> | <b>US\$'000</b> |
|---|----------------------|-----------------|
| Balance as at 1 Jan 2015  | 13,343,000           | 3,421           |
| Purchase of treasury shares   | 37,354,900           | 8,829           |
| Treasury share issued pursuant to the acquisition of the entire equity interest in Satellite Acquisition Corporation* | (27,957,828)         | (7,817)         |
| Sale of treasury shares   | (12,000,000)         | (2,777)         |
| Balance as at 31 Dec 2015   | <u>10,740,072</u>    | <u>1,656</u>    |

\* 24,334,179 treasury shares were transferred to the vendor on 19 February 2016 and the remaining 3,623,649 treasury shares will be transferred once the vendor lodges the share transfer form with CDP.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation have been applied consistently for the current financial year ended 31 December 2015 as those used in the audited financial statements for the year ended 31 December 2014, except for the adoption of the new or revised International Financial Reporting Standards ("IFRS") applicable for the financial period beginning 1 January 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted all of the new or revised IFRS that are effective for the financial period beginning 1 January 2015 and are relevant to its operations.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

| Earnings per ordinary share of the Group, after deducting any provision for preference dividends | Group          |                |
|--|----------------|----------------|
|  | FY2015<br>US\$ | FY2014<br>US\$ |
| (a) Based on weighted average number of ordinary shares on issue; and                            | (0.43) cent    | 2.02 cents     |
| (b) On a fully diluted basis   | (0.43) cent    | 2.00 cents     |
| Weighted average number of ordinary shares used in computation of basic earnings per share       | 262,586,638    | 252,120,852    |
| Weighted average number of ordinary shares used in computation of diluted earnings per share     | 263,148,798    | 254,747,318    |

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

(a) current financial period reported on; and

(b) immediately preceding financial year.

|  | Group               |                     | Company             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 31 Dec 2015<br>US\$ | 31 Dec 2014<br>US\$ | 31 Dec 2015<br>US\$ | 31 Dec 2014<br>US\$ |
| Net asset value ("NAV") per ordinary share based on issued share capital | 20.05 cents         | 22.33 cents         | 22.59 cents         | 22.90 cents         |
| Total number of issued shares  | 271,662,227         | 269,059,299         | 271,662,227         | 269,059,299         |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Review of Financial Performance**

#### ***Revenue***

The Group's revenue decreased by US\$5.0 million, or 3.7%, to US\$129.1 million in FY2015 from US\$134.1 million in FY2014. This was primarily due to delayed sales in 1H FY2015 to main customers in America, Europe and Asia who either destocked or altered their procurement procedures, with one undertaking a significant technology change which usually occurs about once every eight to ten years. This required the customer to reassess its inventory levels. While all orders restarted in the second half of the year ("2H FY2015"), effects from the technology change will persist into 1H FY2016. The Group also recognised approximately four months' contribution of US\$17.5 million revenue in 2H FY2015 from its latest acquisition, Satellite Acquisition Corporation ("Skyware Global"), headquartered in North Carolina, United States ("U.S.").

By geography, with the inclusion of Skyware Global, revenue for FY2015 from America and the Rest of the World increased by US\$2.9 million (+3.9%) and US\$2.3 million (+74.7%), respectively; this was offset by a fall in revenue from Europe and Asia by US\$1.9 million (-5.4%) and US\$8.3 million (-37.6%), respectively.

#### ***Gross Profit***

Gross profit decreased by US\$6.9 million or 21.7% to US\$24.9 million in FY2015 from US\$31.8 million in FY2014. Gross profit margin fell to 19.3% in FY2015 from 23.7% in FY2014. This decrease was largely due to the reclassification of certain products in relation to import duty taxes for certain products shipped into the U.S. that the Group is contesting; the weakening of the Malaysian Ringgit against the U.S. dollar affecting the Group's Malaysian operations; and a lack of suitable semiconductor devices, which delayed production and led to higher logistics costs. The margin percentage was also affected by the inclusion of Skyware Global. With the exclusion of Skyware Global, gross profit margin dropped 2.9% to 20.8% in FY2015 from 23.7% in FY2014.

#### ***Other Income***

Pursuant to the terms of the sale and purchase agreement entered into with the vendor of Skyware Global, an amount equal to approximately 0.5554 times of any revenue in excess of US\$52,284,000 earned by Skyware Global during the period commencing on 1 June 2015 and ending on 31 May 2016 is payable to the vendor, subject to a maximum cash earn-out of US\$5,000,000. As at 31 December 2015, the Company has assessed the fair value of the contingent consideration against the original assessment made at the time of the acquisition. The potential contract behind the contingent payment has not materialised and negotiations have stalled since acquisition; we expect revenues to 31 May 2016 to fall short of the lower trigger point. In accordance with IAS 39, the change in fair value has thus been recognised in the profit and loss as Other Income.

#### ***Administrative Expenses***

Administrative expenses increased by US\$3.5 million or 13.6% to US\$29.0 million in FY2015 from US\$25.5 million in FY2014, representing 22.5% and 19.0% of revenue, respectively. These expenses included a cost of US\$1.2 million for an ongoing legal dispute with a supplier of its United Kingdom ("U.K.") subsidiary which the Group is strongly defending. The Group restructured one of its U.K. facilities following the completion of several large-scale R&D projects, and the Shanghai facility put in place improvements in order to streamline internal efficiencies, which the Group translated into operational cost improvements in 2H FY2015. In addition, the Group also incurred professional fees of US\$2.3 million in relation to the acquisition of Skyware Global and recognised approximately four months' of Skyware Global's manpower and expenses in 2H FY2015.

### **Other Operating Expenses**

The increase in other operating expenses were mainly attributable to the impairment of intangible assets in one of its U.K. subsidiaries, impairment of trade receivables and the loss on disposal of property, plant and equipment.

### **Profit before Tax**

The Group recorded a loss before tax of US\$1.3 million in FY2015 from a profit before tax of US\$5.5 million in FY2014, with a negative margin of 1.0% compared to a margin of 4.1%, respectively.

### **Taxation**

Income tax reduced mainly due to the reduction of taxable profits from all the subsidiaries, overprovision of tax charges in the U.K. and utilisation of unrecognised tax assets in the U.K.

### **Net Profit**

Overall, the Group posted a net loss of US\$1.1 million in FY2015, down from a net profit of US\$5.1 million in FY2014, with a net loss margin of 0.9% compared to a net profit margin of 3.8%, respectively.

### **Review of Financial Position**

Non-current assets increased due to the recognition of US\$5.2 million goodwill and the addition of property, plant and equipment in relation to the acquisition of Skyware Global, offset by the impairment of capitalised development costs in one of its subsidiaries in the U.K.

Net current assets decreased by US\$11.7 million to US\$28.9 million as at 31 December 2015 from US\$40.6 million as at 31 December 2014. Inventories increased by US\$0.8 million to US\$27.9 million while trade and other receivables increased by US\$7.2 million to US\$25.3 million. This was offset by the increase in trade and other payables by US\$2.8 million to US\$27.9 million. Borrowings increased to US\$5.3 million. Cash and cash equivalents declined by US\$12.3 million to US\$8.9 million following the acquisition of Skyware Global, as well as the sale and subsequent purchase of 12.0 million and 37.4 million treasury shares, respectively. Provision for tax decreased by US\$0.3 million to US\$0.3 million and tax receivables was US\$0.4 million as at 31 December 2015.

Non-current liabilities increased by US\$0.5 million due to a US\$0.9 million deposit from a customer in Skyware Global, offset by a reduction of deferred tax liabilities of US\$0.4 million in the U.K.

The Group's net asset value stood at US\$54.5 million as at 31 December 2015 compared to US\$60.1 million as at 31 December 2014.

### **Review of Cash Flows**

Net cash used in operating activities was US\$0.5 million, comprising cash outflow from operating cash activities before working capital changes of US\$1.3 million, net working capital inflow of US\$2.0 million and payment of interest and income tax expense of US\$1.2 million.

Net cash used in investing activities was US\$6.8 million, comprising the purchase of machinery and equipment of US\$0.7 million; increase in capitalised development cost of US\$0.3 million; cash consideration paid for the reverse acquisition of US\$5.5 million; and increase in restricted cash of US\$0.8 million, offset by the cash received from the acquisition of Skyware Global.

Net cash used in financing activities was US\$4.8 million, arising from the payment of dividends of US\$1.1 million, sale and purchase of 12.0 million and 37.4 million treasury shares of US\$6.5 million, offset by the borrowings from shareholders of US\$2.9 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of US\$12.0 million in FY2015, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$7.4 million as at 31 December 2015.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In line with the earlier performance guidance made by the Company on 10 February 2016 that the Group expects to report a net loss between US\$1.0 million and US\$2.0 million for FY2015, the Group's FY2015 results have shown a net loss of US\$1.1 million.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Despite economic uncertainties, the global Satellite Communications ("Sat Comms") market, which grew 4% in 2014\*, is expected to continue growing on rising demand for digital TV services and communications infrastructure together with the release of technical advancements allowing Broadcasters to provide new and additional features.

The Group has completed its research and development work on the next-generation Low Noise Block ("LNB") technology and is currently awaiting qualification from one of its main customers. The Group also intends to supply similar technology LNBs to other customers.

While it expects to benefit from these developments, the Group sees some headwinds in 2016 as customers continue to undergo significant technology changes which usually occur about once every eight to ten years. The customers are expected to continue to manage their inventory carefully and change their procurement patterns during the replacement cycle that will take place in this period.

The Group remains upbeat about the Sat Comms market and continues to pursue its aim of global leadership in the research and production of Sat Comms equipment.

On 24 August 2015, the Group completed the acquisition of Skyware Global in North Carolina, U.S., a leading designer and manufacturer of antennas for Broadband, Satellite and Very Small Aperture Terminals ("VSAT") covering C-band, Ku-band and Ka-band frequency platforms. The acquisition has enlarged the Group's customer base, which now includes a major U.S. broadcaster that intends to launch two new satellites in 2016. This is expected to underpin demand for VSAT terminals from the Group. Skyware Global is expected to account for a bigger portion of the Group's revenue from 2016. The Group will also streamline operations, including the consolidation of its U.S. logistics and warehousing services at its North Carolina facility, so as to drive greater operational efficiencies and cost savings for its U.S. markets.

With an enlarged global sales network following the acquisition, the Group is focused on increasing sales and marketing activities in South America, Malaysia, Indonesia, Africa, with a focus on South Africa, and Europe in FY2016.

As the Group operates in various countries, any sharp movements in foreign exchange rates can affect its financial performance. With this in mind, the Group intends to take advantage of lower production costs in areas in South East Asia by expanding the scope of its manufacturing operations to these regions.

*\*Source: The Satellite Industry Association's 2015 State of the Satellite Industry Report*

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

|                         |   |
|-------------------------|---|
| <b>Name of Dividend</b> | First & Final                           |
| <b>Dividend Type</b>    | Cash                                    |
| <b>Dividend Rate</b>    | 0.525 Singapore cent per ordinary share |
| <b>Tax Rate</b>         | One-tier tax exempt                     |

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the year ended 31 December 2015.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.****13(a) Reportable Operating Segments**

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.

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 taxes. 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.

| <b>FY2015</b>                                  | <b>Sat Comms<br/>US\$'000</b> | <b>CM<br/>US\$'000</b> | <b>Group<br/>US\$'000</b> |
|--|-------------------------------|------------------------|---------------------------|
| Revenue  | 101,969                       | 27,138                 | 129,107                   |
| Operating profit                               | (2,141)                       | 1,087                  | (1,054)                   |
| Finance income                                 |                               |                        | 17                        |
| Finance costs                                  |                               |                        | (256)                     |
| Income tax credit                              |                               |                        | 165                       |
| <b>Loss for the year</b>                       |                               |                        | <b>(1,128)</b>            |
| Amortisation of intangible assets              | 431                           | -                      | 431                       |
| Depreciation of property, plant and equipment  | 1,632                         | 287                    | 1,919                     |
| Addition to property, plant and equipment      | 690                           | 47                     | 737                       |
| Addition to intangible assets                  | 280                           | -                      | 280                       |
| Allowance for inventory obsolescence           | 196                           | 253                    | 449                       |
| Impairment of trade receivables                | 20                            | 339                    | 359                       |
| Impairment of intangible assets                | 1,121                         | -                      | 1,121                     |
| Write-back of contingent consideration payable | 5,000                         | -                      | 5,000                     |
| <b>Assets and liabilities</b>                  |                               |                        |                           |
| Segment assets                                 | 75,243                        | 12,383                 | 87,626                    |
| <u>Unallocated assets</u>                      |                               |                        |                           |
| - Non-current assets                           |                               |                        | 5                         |
| - Other receivables                            |                               |                        | 117                       |
| - Tax receivables                              |                               |                        | 431                       |
| - Deferred tax assets                          |                               |                        | 723                       |
| - Cash and cash equivalents                    |                               |                        | 637                       |
| <b>Total assets</b>                            |                               |                        | <b>89,539</b>             |

| <b>FY2015</b>                                 | <b>Sat Comms<br/>US\$'000</b> | <b>CM<br/>US\$'000</b> | <b>Group<br/>US\$'000</b> |
|---|-------------------------------|------------------------|---------------------------|
| Segment liabilities                           | 20,844                        | 5,626                  | 26,470                    |
| <u>Unallocated liabilities</u>                |                               |                        |                           |
| - Other payables                              |                               |                        | 2,779                     |
| - Borrowings                                  |                               |                        | 5,348                     |
| - Provision for income tax                    |                               |                        | 309                       |
| - Deferred tax liabilities                    |                               |                        | 171                       |
| <b>Total liabilities</b>                      |                               |                        | <b>35,077</b>             |
| <b>FY2014</b>                                 |                               |                        |                           |
| Revenue                                       | 106,278                       | 27,857                 | 134,135                   |
| Operating profit                              | 4,898                         | 567                    | 5,465                     |
| Finance income                                |                               |                        | 63                        |
| Finance costs                                 |                               |                        | (15)                      |
| Income tax expense                            |                               |                        | (411)                     |
| <b>Profit for the year</b>                    |                               |                        | <b>5,102</b>              |
| Amortisation of intangible assets             | 381                           | -                      | 381                       |
| Depreciation of property, plant and equipment | 1,421                         | 307                    | 1,728                     |
| Addition to property, plant and equipment     | 1,866                         | 116                    | 1,982                     |
| Addition to intangible assets                 | 1,778                         | -                      | 1,778                     |
| Allowance for inventory obsolescence          | 48                            | 72                     | 120                       |
| <b>Assets and liabilities</b>                 |                               |                        |                           |
| Segment assets                                | 61,066                        | 12,550                 | 73,616                    |
| <u>Unallocated assets</u>                     |                               |                        |                           |
| - Non-current assets                          |                               |                        | 583                       |
| - Other receivables                           |                               |                        | 2,082                     |
| - Deferred tax assets                         |                               |                        | 743                       |
| - Cash and cash equivalents                   |                               |                        | 9,705                     |
| <b>Total assets</b>                           |                               |                        | <b>86,729</b>             |
| Segment liabilities                           | 14,241                        | 5,687                  | 19,928                    |
| <u>Unallocated liabilities</u>                |                               |                        |                           |
| - Other payables                              |                               |                        | 5,575                     |
| - Provision for income tax                    |                               |                        | 605                       |
| - Deferred tax liabilities                    |                               |                        | 538                       |
| <b>Total liabilities</b>                      |                               |                        | <b>26,646</b>             |

**13(b) Geographical Information**

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

| <b>FY2015</b>      | <b>America<br/>US\$'000</b> | <b>Europe<br/>US\$'000</b> | <b>Asia<br/>US\$'000</b> | <b>Rest of the<br/>World<br/>US\$'000</b> | <b>Group<br/>US\$'000</b> |
|--------------------|-----------------------------|----------------------------|--------------------------|---|---------------------------|
| Revenue            | 76,096                      | 33,706                     | 13,801                   | 5,504                                     | 129,107                   |
| Non-current assets | 5,298                       | 13,623                     | 7,332                    | 120                                       | 26,373                    |

| <b>FY2014</b>      | <b>America<br/>US\$'000</b> | <b>Europe<br/>US\$'000</b> | <b>Asia<br/>US\$'000</b> | <b>Rest of the<br/>World<br/>US\$'000</b> | <b>Group<br/>US\$'000</b> |
|--------------------|-----------------------------|----------------------------|--------------------------|---|---------------------------|
| Revenue            | 73,230                      | 35,628                     | 22,127                   | 3,150                                     | 134,135                   |
| Non-current assets | -                           | 15,676                     | 4,015                    | -   | 19,691                    |



- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Note 8.

- 15. A breakdown of sales.**

|     |   | <b>FY2015<br/>US\$'000</b> | <b>FY2014<br/>US\$'000</b> | <b>% increase/<br/>(decrease)</b> |
|-----|---|----------------------------|----------------------------|-----------------------------------|
| (a) | Sales reported for first half year  | 53,970                     | 69,834                     | (22.7)                            |
| (b) | Operating (loss)/profit after income tax before deducting minority interests reported for first half year | (2,840)                    | 3,651                      | N.M.                              |
| (c) | Sales reported for second half year   | 75,137                     | 64,301                     | 16.9                              |
| (d) | Operating profit after income tax before deducting minority interests reported for second half year       | 1,712                      | 1,451                      | 18.0                              |

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

|                              | <b>FY2015<br/>US\$'000</b> | <b>FY2014<br/>US\$'000</b> |
|------------------------------|----------------------------|----------------------------|
| Ordinary                     | 1,078                      | 925                        |
| Preference                   | -                          | -                          |
| <b>Total Annual Dividend</b> | <b>1,078</b>               | <b>925</b>                 |

- 17. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPTs mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate for IPTs and there were no IPTs for the year ended 31 December 2015.

- 18. Confirmation that the Company has procured undertaking from all its directors and executive officers pursuant to Rule 720(1).**

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Neither Global Invacom Group Limited nor any of its principal subsidiaries have any person occupying a managerial position who is related to a director, chief executive officer or substantial shareholder.

**20. Status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with stated use.**

The Company completed the listing of the Company's shares on the AIM market of the London Stock Exchange on 2 July 2014 which raised net proceeds of US\$12.9 million. As at 31 December 2015, the net proceeds have been fully utilised in the following manner:

- (a) US\$3.5 million was used to pay for the cash consideration less the retention in relation to the acquisition of OnePath Networks Limited;
- (b) approximately US\$7.8 million was used for the buyback of 27,957,828 shares for purposes of the acquisition of Skyware Global; and
- (c) approximately US\$1.6 million was used for general corporate and working capital of the Company.

The above utilisations are in accordance with the stated use and in accordance with the amount and percentage allocated to such utilisations in the Company's admission document dated 27 June 2014.

BY ORDER OF THE BOARD  
Anthony Brian Taylor  
Chairman

25 February 2016