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## GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 200202428H)

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### FINANCIAL STATEMENT ANNOUNCEMENT FOR Q3 AND NINE MONTHS ENDED 30 SEPTEMBER 2017

#### 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 Q3 and nine months ended 30 September 2017.  
These figures have not been audited.

	Group			Group		
	Q3 FY2017 US\$'000	Q3 FY2016 US\$'000	Increase/ (Decrease) %	9 Months FY2017 US\$'000	9 Months FY2016 US\$'000	Increase/ (Decrease) %
<b>Revenue</b>	<b>28,525</b>	<b>32,068</b>	<b>(11.0)</b>	<b>85,949</b>	<b>96,343</b>	<b>(10.8)</b>
Cost of sales	(22,427)	(24,833)	(9.7)	(68,022)	(76,128)	(10.6)
Gross profit	6,098	7,235	(15.7)	17,927	20,215	(11.3)
Other income	99	-	N.M.	1,007	17	N.M.
Distribution costs	(34)	(46)	(26.1)	(263)	(232)	13.4
Administrative expenses	(5,230)	(5,747)	(9.0)	(15,545)	(18,526)	(16.1)
Other operating expenses	-	(24)	(100.0)	(99)	(87)	13.8
Finance income	4	1	300.0	14	13	7.7
Finance costs	(111)	(227)	(51.1)	(318)	(551)	(42.3)
<b>Profit before income tax<sup>(i)</sup></b>	<b>826</b>	<b>1,192</b>	<b>(30.7)</b>	<b>2,723</b>	<b>849</b>	<b>220.7</b>
Income tax expense	(139)	(494)	(71.9)	(558)	(580)	(3.8)
<b>Profit after income tax attributable to equity holders of the Company</b>	<b>687</b>	<b>698</b>	<b>(1.6)</b>	<b>2,165</b>	<b>269</b>	<b>704.8</b>

**Other comprehensive income/(loss):**

Items that may be reclassified subsequently to profit or loss

- Exchange differences on translation of foreign subsidiaries	44	(248)	N.M.	152	231	(34.2)
Items that may not be reclassified subsequently to profit or loss	-	-	-	-	-	-

**Other comprehensive income/(loss) for the period, net of tax**

<b>44</b>	<b>(248)</b>	<b>N.M.</b>	<b>152</b>	<b>231</b>	<b>(34.2)</b>
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**Total comprehensive income for the period attributable to equity holders of the Company**

<b>731</b>	<b>450</b>	<b>62.4</b>	<b>2,317</b>	<b>500</b>	<b>363.4</b>
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N.M.: Not Meaningful

**Note:**

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

	Group			Group		
	Q3 FY2017 US\$'000	Q3 FY2016 US\$'000	Increase/ (Decrease) %	9 Months FY2017 US\$'000	9 Months FY2016 US\$'000	Increase/ (Decrease) %
Interest income	4	1	300.0	14	13	7.7
Interest expense	(111)	(227)	(51.1)	(318)	(551)	(42.3)
Gain/(Loss) on foreign exchange	90	(24)	N.M.	274	(87)	N.M.
Write-back of payables	-	-	N.M.	578	-	N.M.
Gain/(Loss) on disposal of property, plant and equipment	7	-	N.M.	(13)	-	N.M.
Impairment of property, plant and equipment	-	-	-	(86)	-	N.M.
Depreciation of property, plant and equipment	(648)	(643)	0.8	(1,870)	(1,875)	(0.3)
Amortisation of intangible assets	(166)	(40)	315.0	(474)	(116)	308.6
(Allowance)/Write-back of inventory obsolescence	(72)	(156)	(53.8)	191	(483)	N.M.
Operating lease expense	(651)	(818)	(20.4)	(2,262)	(2,501)	(9.6)
Research and development expense	(390)	(422)	(7.6)	(1,193)	(1,177)	1.4

**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	
	30 Sep 2017 US\$'000	31 Dec 2016 US\$'000	30 Sep 2017 US\$'000	31 Dec 2016 US\$'000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	12,492	13,177	8	4
Investments in subsidiaries	-	-	44,866	53,415
Goodwill	9,352	9,352	-	-
Intangible assets	2,565	2,828	-	-
Available-for-sale financial assets	8	8	-	-
Deferred tax assets	355	355	-	-
Other receivables and prepayments	55	55	10,073	-
	<b>24,827</b>	<b>25,775</b>	<b>54,947</b>	<b>53,419</b>
<b>Current Assets</b>				
Due from subsidiaries	-	-	943	867
Inventories	31,072	28,841	-	-
Trade receivables	18,111	16,934	-	-
Other receivables and prepayments	2,901	3,110	5,872	11,202
Tax receivables	11	1,002	-	-
Cash and cash equivalents	8,873	7,942	297	1,251
	<b>60,968</b>	<b>57,829</b>	<b>7,112</b>	<b>13,320</b>
<b>Total assets</b>	<b>85,795</b>	<b>83,604</b>	<b>62,059</b>	<b>66,739</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	60,423	60,423	74,240	74,240
Treasury shares	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	(4,051)	(6,453)	(13,216)	(12,929)
<b>Total equity</b>	<b>54,716</b>	<b>52,314</b>	<b>59,368</b>	<b>59,655</b>
<b>Non-current Liabilities</b>				
Other payables	1,222	1,222	-	-
Deferred tax liabilities	681	681	-	-
	<b>1,903</b>	<b>1,903</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Due to subsidiaries	-	-	2,121	6,820
Trade payables	14,727	16,602	-	-
Other payables	5,457	6,323	502	196
Borrowings	8,722	6,108	-	-
Provision for income tax	270	354	68	68
	<b>29,176</b>	<b>29,387</b>	<b>2,691</b>	<b>7,084</b>
<b>Total liabilities</b>	<b>31,079</b>	<b>31,290</b>	<b>2,691</b>	<b>7,084</b>
<b>Total equity and liabilities</b>	<b>85,795</b>	<b>83,604</b>	<b>62,059</b>	<b>66,739</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 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
8,722	-	6,108	-

**Amount repayable after one year**

As at 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Details of any collateral**

The revolving credit loans of US\$8,722,000 were secured over the 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		Group	
	Q3 FY2017 US\$'000	Q3 FY2016 US\$'000	9 Months FY2017 US\$'000	9 Months FY2016 US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit before income tax	826	1,192	2,723	849
Adjustments for:				
Depreciation of property, plant and equipment	648	643	1,870	1,875
Amortisation of intangible assets	166	40	474	116
(Gain)/Loss on disposal of property, plant and equipment	(7)	-	13	-
Impairment of property, plant and equipment	-	-	86	-
Allowance/(Write-back) of inventory obsolescence	72	156	(191)	483
Unrealised exchange loss/(gain)	9	(289)	26	(70)
Interest income	(4)	(1)	(14)	(13)
Interest expense	111	227	318	551
Share-based payments	10	45	85	218
Write-back of payables	-	-	(578)	-
<b>Operating cash flow before working capital changes</b>	<b>1,831</b>	<b>2,013</b>	<b>4,812</b>	<b>4,009</b>
Changes in working capital:				
Inventories	(1,275)	(2,563)	(2,005)	(1,802)
Trade receivables	(1,112)	(474)	(1,140)	3,481
Other receivables and prepayments	(1,311)	(819)	813	516
Trade and other payables	811	2,648	(2,606)	(468)
<b>Cash (used in)/generated from operating activities</b>	<b>(1,056)</b>	<b>805</b>	<b>(126)</b>	<b>5,736</b>
Interest paid	(58)	(302)	(275)	(534)
Income tax refund/(paid)	85	(208)	(50)	(513)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,029)</b>	<b>295</b>	<b>(451)</b>	<b>4,689</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	4	1	14	13
Purchase of property, plant and equipment	(469)	(256)	(1,330)	(1,371)
Proceeds from disposal of property, plant and equipment	5	-	32	-
Decrease in restricted cash	200	-	1,200	5
<b>Net cash used in investing activities</b>	<b>(260)</b>	<b>(255)</b>	<b>(84)</b>	<b>(1,353)</b>

	Group		Group	
	Q3	Q3	9 Months	9 Months
	FY2017	FY2016	FY2017	FY2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	12,435	11,569	40,977	35,203
Repayment of borrowings	(12,225)	(9,765)	(38,363)	(33,069)
Repayment of shareholders' loan	-	(2,850)	-	(2,850)
<b>Net cash generated from/(used in) financing activities</b>	<b>210</b>	<b>(1,046)</b>	<b>2,614</b>	<b>(716)</b>
Net (decrease)/increase in cash and cash equivalents	(1,079)	(1,006)	2,079	2,620
Cash and cash equivalents at the beginning of the period	9,933	11,066	6,742	7,448
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	19	(16)	52	(24)
<b>Cash and cash equivalents at the end of the period<sup>(i)</sup></b>	<b>8,873</b>	<b>10,044</b>	<b>8,873</b>	<b>10,044</b>

**Note:**

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

	Q3	Q3	9 Months	9 Months
	FY2017	FY2016	FY2017	FY2016
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances	8,843	11,014	8,843	11,014
Fixed deposits	30	443	30	443
	8,873	11,457	8,873	11,457
Less: Restricted cash*	-	(1,413)	-	(1,413)
<b>Cash and cash equivalents per the consolidated statement of cash flows</b>	<b>8,873</b>	<b>10,044</b>	<b>8,873</b>	<b>10,044</b>

\* Restricted cash in Q3 FY2016 included cash collateral of US\$1,000,000 and fixed deposits of US\$400,000 pledged with the banks for facilities and loans granted to the Group. As at 30 September 2017, the Group had utilised US\$8,722,000 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 US\$'000	Treasury shares US\$'000	Merger reserves US\$'000	Capital redemption reserves US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Retained profits US\$'000	Total US\$'000
<b>Balance as at 1 Jan 2017</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>613</b>	<b>(3,695)</b>	<b>(986)</b>	<b>7,759</b>	<b>52,314</b>
Share-based payments	-	-	-	-	40	-	-	-	40
Profit for the period	-	-	-	-	-	-	-	605	605
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(113)	-	(113)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(113)	605	492
<b>Balance as at 31 Mar 2017</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>653</b>	<b>(3,695)</b>	<b>(1,099)</b>	<b>8,364</b>	<b>52,846</b>
Share-based payments	-	-	-	-	35	-	-	-	35
Profit for the period	-	-	-	-	-	-	-	873	873
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	221	-	221
Total other comprehensive income for the period	-	-	-	-	-	-	221	873	1,094
<b>Balance as at 30 Jun 2017</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>688</b>	<b>(3,695)</b>	<b>(878)</b>	<b>9,237</b>	<b>53,975</b>
Share-based payments	-	-	-	-	10	-	-	-	10
Profit for the period	-	-	-	-	-	-	-	687	687
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	44	-	44
Total other comprehensive income for the period	-	-	-	-	-	-	44	687	731
<b>Balance as at 30 Sep 2017</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>698</b>	<b>(3,695)</b>	<b>(834)</b>	<b>9,924</b>	<b>54,716</b>
<b>Balance as at 1 Jan 2016</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>
Share-based payments	-	-	-	-	87	-	-	-	87
Loss for the period	-	-	-	-	-	-	-	(654)	(654)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	578	-	578
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	578	(654)	(76)
<b>Balance as at 31 Mar 2016</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>440</b>	<b>(3,786)</b>	<b>(703)</b>	<b>9,899</b>	<b>54,473</b>
Share-based payments	-	-	-	-	86	-	-	-	86
Profit for the period	-	-	-	-	-	-	-	225	225
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(99)	-	(99)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(99)	225	126
<b>Balance as at 30 Jun 2016</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>526</b>	<b>(3,786)</b>	<b>(802)</b>	<b>10,124</b>	<b>54,685</b>
Share-based payments	-	-	-	-	45	-	-	-	45
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	91	-	(91)	-
Profit for the period	-	-	-	-	-	-	-	698	698
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(248)	-	(248)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(248)	698	450
<b>Balance as at 30 Sep 2016</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>571</b>	<b>(3,695)</b>	<b>(1,050)</b>	<b>10,731</b>	<b>55,180</b>

Company	Share capital US\$'000	Treasury shares US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
<b>Balance as at 1 Jan 2017</b>	<b>74,240</b>	<b>(1,656)</b>	<b>613</b>	<b>(4,481)</b>	<b>(2,067)</b>	<b>(6,994)</b>	<b>59,655</b>
Share-based payments	-	-	38	-	-	-	38
Loss for the period	-	-	-	-	-	(85)	(85)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	140	-	140
Total other comprehensive income/(loss) for the period	-	-	-	-	140	(85)	55
<b>Balance as at 31 Mar 2017</b>	<b>74,240</b>	<b>(1,656)</b>	<b>651</b>	<b>(4,481)</b>	<b>(1,927)</b>	<b>(7,079)</b>	<b>59,748</b>
Share-based payments	-	-	37	-	-	-	37
Loss for the period	-	-	-	-	-	(56)	(56)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(56)	(56)
<b>Balance as at 30 Jun 2017</b>	<b>74,240</b>	<b>(1,656)</b>	<b>688</b>	<b>(4,481)</b>	<b>(1,927)</b>	<b>(7,135)</b>	<b>59,729</b>
Share-based payments	-	-	10	-	-	-	10
Loss for the period	-	-	-	-	-	(371)	(371)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(371)	(371)
<b>Balance as at 30 Sep 2017</b>	<b>74,240</b>	<b>(1,656)</b>	<b>698</b>	<b>(4,481)</b>	<b>(1,927)</b>	<b>(7,506)</b>	<b>59,368</b>
<b>Balance as at 1 Jan 2016</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>
Share-based payments	-	-	87	-	-	-	87
Loss for the period	-	-	-	-	-	(527)	(527)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(527)	(527)
<b>Balance as at 31 Mar 2016</b>	<b>74,240</b>	<b>(1,656)</b>	<b>440</b>	<b>(4,481)</b>	<b>(2,067)</b>	<b>(5,534)</b>	<b>60,942</b>
Share-based payments	-	-	86	-	-	-	86
Loss for the period	-	-	-	-	-	(996)	(996)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(996)	(996)
<b>Balance as at 30 Jun 2016</b>	<b>74,240</b>	<b>(1,656)</b>	<b>526</b>	<b>(4,481)</b>	<b>(2,067)</b>	<b>(6,530)</b>	<b>60,032</b>
Share-based payments	-	-	45	-	-	-	45
Profit for the period	-	-	-	-	-	50	50
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	50	50
<b>Balance as at 30 Sep 2016</b>	<b>74,240</b>	<b>(1,656)</b>	<b>571</b>	<b>(4,481)</b>	<b>(2,067)</b>	<b>(6,480)</b>	<b>60,127</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.

9 Months FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Sep 2017	271,662,227	72,584
9 Months FY2016	No. of shares	US\$'000
Balance as at 1 Jan 2016 and 30 Sep 2016	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 September 2017 and 30 September 2016 and there was no subsidiary holdings.

- 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.

	30 Sep 2017	31 Dec 2016
Total number of issued shares excluding treasury shares	271,662,227	271,662,227

- 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.

9 Months FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Sep 2017	10,740,072	1,656

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

9 Months FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Sep 2017	-	-

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 period ended 30 September 2017 as those used in the audited financial statements for the year ended 31 December 2016, except for the adoption of the new or revised International Financial Reporting Standards ("IFRS") applicable for the financial period beginning 1 January 2017.

**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 2017 and are relevant to its operations. The adoption of these IFRS does not have financial impact on the Group's financial position or results.

**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		Group	
	Q3 FY2017 US\$	Q3 FY2016 US\$	9 Months FY2017 US\$	9 Months FY2016 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.25 cent	0.26 cent	0.80 cent	0.10 cent
(b) On a fully diluted basis	0.25 cent	0.26 cent	0.80 cent	0.10 cent
Weighted average number of ordinary shares used in computation of basic earnings per share	271,662,227	271,662,227	271,662,227	271,662,227
Weighted average number of ordinary shares used in computation of diluted earnings per share	272,247,261	271,763,615	272,092,244	271,662,227

**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	
	30 Sep 2017 US\$	31 Dec 2016 US\$	30 Sep 2017 US\$	31 Dec 2016 US\$
Net asset value per ordinary share based on issued share capital	20.14 cents	19.26 cents	21.85 cents	21.96 cents
Total number of issued shares	271,662,227	271,662,227	271,662,227	271,662,227

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**

Following the Group's decision to consolidate its subsidiaries in the People's Republic of China ("PRC") at the end of 2016 and concentrate on its core satellite business, the Group's revenue for the nine months FY2017 ("9M FY2017") decreased US\$10.4 million (-10.8%) to US\$85.9 million from US\$96.3 million a year ago, led by the reduction of US\$9.1 million from the Contract Manufacturing segment. Its revenue in Q3 FY2017 was US\$28.5 million, US\$3.6 million lower than US\$32.1 million in Q3 FY2016. Although retaining key customers in the consolidation, the Contract Manufacturing segment showed a US\$3.2 million reduction in sales for this period.

By geography, reflecting the consolidation in PRC, revenue for the 9M FY2017 declined from America and Europe by US\$4.3 million (-6.6%) and US\$6.7 million (-28.4%), respectively, offset by an increase in revenue from Asia and Rest of the World ("RoW") by US\$0.1 million (+0.8%) and US\$0.5 million (+18.0%), respectively. Decline in revenue for Q3 FY2017 against Q3 FY2016 was mainly attributable to the regions in America, Europe and RoW by US\$2.3 million (-10.5%), US\$1.5 million (-17.9%) and US\$0.1 million (-15.5%), respectively. This was partially offset by an increase in revenue from Asia by US\$0.3 million (+24.7%). Again, this is driven by reduced revenue from the discontinued Contract Manufacturing segment.

#### **Gross Profit**

For 9M FY2017, gross profit was US\$17.9 million, down US\$2.3 million from US\$20.2 million in nine months FY2016 ("9M FY2016") with gross profit margin ("GPM") decreasing slightly to 20.9% from 21.0%.

In Q3 FY2017 gross profit was US\$6.1 million, down US\$1.1 million from US\$7.2 million in Q3 FY2016, largely driven by the lower revenue figure. GPM dropped to 21.4% in Q3 FY2017 from 22.6% in Q3 FY2016 which had included some high-margin product sales.

#### **Other Income**

Other income in Q3 FY2017 pertained primarily to foreign exchange gains.

#### **Administrative Expenses**

Administrative expenses for 9M FY2017 decreased by 16.1% to US\$15.5 million from US\$18.5 million a year ago, representing 18.1% and 19.2% of revenue, respectively. This is attributed to ongoing cost-saving exercises initiated during FY2016 including the consolidation of the Group's PRC operations. Administrative expenses decreased 9.0% to US\$5.2 million in Q3 FY2017 from US\$5.7 million in Q3 FY2016, representing 18.3% and 17.9% of revenue, respectively.

#### **Profit Before Tax & Net Profit**

The Group posted a profit before tax of US\$2.7 million in 9M FY2017 compared to US\$0.8 million in 9M FY2016, an increase of 220.7%, representing a margin of 3.2% and 0.9% respectively. The Group recorded a profit before tax of US\$0.8 million in Q3 FY2017 compared to US\$1.2 million in Q3 FY2016, a decrease of 30.7%, representing a margin of 2.9% and 3.7%, respectively.

Overall, the Group posted a net profit of US\$2.2 million in the 9M FY2017 compared to US\$0.3 million in 9M FY2016, representing a net margin of 2.5% and 0.3% respectively. The Group posted a net profit of US\$0.7 million in Q3 FY2017 compared to US\$0.7 million in Q3 FY2016, representing a net margin of 2.4% and 2.2%, respectively.

### **Review of Financial Position**

Non-current assets decreased, primarily due to the depreciation of property, plant and equipment and the amortisation of intangible assets.

Net current assets increased by US\$3.4 million to US\$31.8 million as at 30 September 2017 compared to US\$28.4 million as at 31 December 2016. Inventories increased by US\$2.2 million in preparation for orders for the next few months and trade and other receivables increased by US\$1.0 million from late quarter revenues. Trade and other payables decreased by US\$2.8 million following the ongoing rectification of trade supplier payments particularly by the Group's operations in the United States. This was achieved by restructuring our loan facilities and taking on new borrowings which have increased by US\$2.6 million to US\$8.7 million, resulting in an increase of US\$0.9 million in cash and cash equivalents to US\$8.9 million as at 30 September 2017. Net tax receivables decreased by US\$0.9 million to net tax payables of US\$0.3 million as at 30 September 2017.

The Group's net asset value stood at US\$54.7 million as at 30 September 2017, compared to US\$52.3 million as at 31 December 2016.

### **Review of Cash Flows**

Net cash used in operating activities in Q3 FY2017 was US\$1.0 million, comprising cash inflow from operating activities before working capital changes of US\$1.8 million and net working capital outflow of US\$2.8 million.

Net cash used in operating activities in the 9M FY2017 was US\$0.5 million, comprising cash inflow from operating activities before working capital changes of US\$4.8 million, net working capital outflow of US\$5.0 million and payment of interest and income tax expense of US\$0.3 million.

Net cash used in investing activities was US\$0.3 million in Q3 FY2017 and US\$0.1 million in the 9M FY2017. This was mainly attributable to the purchase of machinery and equipment and offset by a decrease in restricted cash in Q3 FY2017.

Net cash generated from financing activities was US\$0.2 million in Q3 FY2017 and US\$2.6 million in the 9M FY2017, arising mainly from the additional proceeds from borrowings.

Overall, the Group recorded a net decrease in cash and cash equivalents of US\$1.1 million in Q3 FY2017 against an increase of US\$2.1 million in the 9M FY2017, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$8.9 million as at 30 September 2017.

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

No prospect statement was made.

**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.**

According to the Satellite Industry Association\*, yearly growth in the global satellite industry was steady at 2% in 2016, with the satellite services section supported by demand in emerging markets for both Satellite TV and Satellite Broadband. As more satellites are launched to support data services, particularly in developing markets, the Group anticipates increased demand for VSAT products and services. The Group will leverage on its value proposition as a global leader in this sector, taking into account its strong research and development capabilities, established ties with major customers and global manufacturing footprint.

The Group will continue to monitor developments in the global economic and political landscape that may affect international trade, but overall remains confident in the outlook for the satellite communications sector.

Global broadcasters are continuing to transition clients to the new Digital Channel Stacking Switch-related ("DCSS") technology, which allows up to 32 streams from a single Low Noise Block ("LNB"), with the Group's growing suite of DCSS products offering a combined competitive edge. The Group commenced supply of a new triple-feed DCSS LNB to the western U.S. region in September 2017 following approval from its customer, a major U.S. broadcaster. It is one of two exclusive suppliers of this product for this key client, underscoring its position as a leading supplier of cutting-edge satellite communications equipment. The Group expects to deploy more DCSS-generation technology across its LNBs, including those in design and pending approval, for other customers and territories.

The Group's extensive restructuring efforts in the last two years have streamlined its supply chain through strengthening quality and cost controls. The U.S. site in particular has shown improved operational efficiencies bringing its first profitable quarters in over ten years. Further, the Group's decision to consolidate its subsidiaries in the People's Republic of China ("PRC") at the end of FY2016, has helped to protect its margins for the financial year to date. With the cessation of its contract manufacturing activities in the PRC, the Group will focus on its core segment of manufacturing satellite-related products, utilising its strong research and development expertise in both fields of electronics and antenna design, to provide new and existing customers with solutions and cost-effective alternatives to enhance margin for the Group.

The Group will continue to deploy innovative new products, work on ground-breaking technologies and tap promising opportunities worldwide. In the quarter under review, it successfully live-tested breakthrough technology permitting live HD large-scale event video streaming over WiFi.

*\*Source: The Satellite Industry Association's 2017 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?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the nine months ended 30 September 2017.

**13. 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 nine months ended 30 September 2017.

**14. 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.

**CONFIRMATION BY THE BOARD OF DIRECTORS (THE “BOARD”) PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the “Company”), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the nine months ended 30 September 2017 to be false or misleading in any material aspect.

**On behalf of the Board**

**Anthony Brian Taylor**  
Director

**Matthew Jonathan Garner**  
Director

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BY ORDER OF THE BOARD  
Anthony Brian Taylor  
Executive Chairman

9 November 2017

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.