



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 2019

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 2019.
These figures have not been audited.

| | Group | | | Group | | |
|---|--------------------------|--------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|
| | Q3 FY2019 US\$'000 | Q3 FY2018 US\$'000 | Increase/ (Decrease) % | 9 Months FY2019 US\$'000 | 9 Months FY2018 US\$'000 | Increase/ (Decrease) % |
| Revenue | 32,496 | 30,530 | 6.4 | 104,441 | 85,926 | 21.5 |
| Cost of sales | (26,282) | (24,516) | 7.2 | (83,148) | (68,141) | 22.0 |
| Gross profit | 6,214 | 6,014 | 3.3 | 21,293 | 17,785 | 19.7 |
| Other income | 269 | 76 | 253.9 | 21 | 99 | (78.8) |
| Distribution costs | (49) | (73) | (32.9) | (221) | (253) | (12.6) |
| Administrative expenses | (5,805) | (5,789) | 0.3 | (18,002) | (16,399) | 9.8 |
| Other operating expenses | - | - | - | (16) | (5) | 220.0 |
| Finance income | 57 | 6 | 850.0 | 155 | 50 | 210.0 |
| Finance costs | (392) | (130) | 201.5 | (802) | (377) | 112.7 |
| Profit before income tax⁽ⁱ⁾ | 294 | 104 | 182.7 | 2,428 | 900 | 169.8 |
| Income tax (expense)/credit | (68) | 5 | N.M. | (616) | (259) | 137.8 |
| Profit after income tax | 226 | 109 | 107.3 | 1,812 | 641 | 182.7 |

Other comprehensive (loss)/income:

Items that may be reclassified subsequently to profit or loss

- Exchange differences on translation of foreign subsidiaries

| | | | | | |
|-------|-------|------|-------|----|------|
| (153) | (127) | 20.5 | (253) | 66 | N.M. |
|-------|-------|------|-------|----|------|

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

| | | | | | |
|-------|-------|------|-------|----|------|
| (153) | (127) | 20.5 | (253) | 66 | N.M. |
|-------|-------|------|-------|----|------|

Total comprehensive income/(loss)

| | | | | | |
|----|------|------|-------|-----|-------|
| 73 | (18) | N.M. | 1,559 | 707 | 120.5 |
|----|------|------|-------|-----|-------|

Profit for the year attributable to:

Owners of the Company

| | | | | | |
|-----|-----|-------|-------|-----|-------|
| 228 | 109 | 109.2 | 1,814 | 641 | 183.0 |
|-----|-----|-------|-------|-----|-------|

Non-controlling interests

| | | | | | |
|-----|---|------|-----|---|------|
| (2) | - | N.M. | (2) | - | N.M. |
|-----|---|------|-----|---|------|

| | | | | | |
|-----|-----|-------|-------|-----|-------|
| 226 | 109 | 107.3 | 1,812 | 641 | 182.7 |
|-----|-----|-------|-------|-----|-------|

Total comprehensive income/(loss) attributable to:

Owners of the Company

| | | | | | |
|----|------|------|-------|-----|-------|
| 75 | (18) | N.M. | 1,561 | 707 | 120.8 |
|----|------|------|-------|-----|-------|

Non-controlling interests

| | | | | | |
|-----|---|------|-----|---|------|
| (2) | - | N.M. | (2) | - | N.M. |
|-----|---|------|-----|---|------|

| | | | | | |
|----|------|------|-------|-----|-------|
| 73 | (18) | N.M. | 1,559 | 707 | 120.5 |
|----|------|------|-------|-----|-------|

N.M.: Not Meaningful

Note:

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

| | Group | | | Group | | |
|--|--------------------------|--------------------------|------------------------------|--------------------------------|--------------------------------|------------------------------|
| | Q3 FY2019 US\$'000 | Q3 FY2018 US\$'000 | Increase/ (Decrease) % | 9 Months FY2019 US\$'000 | 9 Months FY2018 US\$'000 | Increase/ (Decrease) % |
| Interest income | 57 | 6 | 850.0 | 155 | 50 | 210.0 |
| Interest expense | (392) | (130) | 201.5 | (802) | (377) | 112.7 |
| Gain/(Loss) on foreign exchange | 203 | 8 | >100.0 | (177) | 28 | N.M. |
| Write-back of payables | - | 73 | (100.0) | 74 | 73 | 1.4 |
| Gain/(Loss) on disposal of property, plant and equipment | 30 | 8 | 275.0 | 17 | (5) | N.M. |
| Depreciation of property, plant and equipment | (858) | (696) | 23.3 | (2,431) | (2,099) | 15.8 |
| Amortisation of intangible assets | (230) | (176) | 30.7 | (690) | (527) | 30.9 |
| Depreciation of right-of-use assets | (579) | - | N.M. | (1,731) | - | N.M. |
| Allowance/(Write-back) for inventory obsolescence, net | (149) | (140) | 6.4 | 115 | (294) | N.M. |
| Bad debts written off | - | - | - | (16) | - | N.M. |
| Research and development expense | (451) | (827) | (45.5) | (1,512) | (2,140) | (29.3) |

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 2019 | 31 Dec 2018 | 30 Sep 2019 | 31 Dec 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| ASSETS | | | | |
| Non-current Assets | | | | |
| Property, plant and equipment | 12,901 | 12,606 | 183 | 85 |
| Right-of-use assets | 2,443 | - | 172 | - |
| Investments in subsidiaries | - | - | 41,388 | 44,892 |
| Goodwill | 9,352 | 9,352 | - | - |
| Intangible assets | 3,087 | 3,656 | - | - |
| Other financial assets | 2,409 | 1,519 | 2,130 | 1,511 |
| Deferred tax assets | 109 | 109 | - | - |
| Other receivables and prepayments | 55 | 55 | 9,974 | 9,608 |
| | 30,356 | 27,297 | 53,847 | 56,096 |
| Current Assets | | | | |
| Due from subsidiaries | - | - | 4,458 | 939 |
| Inventories | 28,149 | 31,625 | - | - |
| Trade receivables | 21,820 | 24,874 | - | - |
| Other receivables and prepayments | 1,987 | 1,900 | 3,495 | 3,433 |
| Tax receivables | 1 | 15 | - | - |
| Cash and cash equivalents | 10,818 | 8,381 | 971 | 526 |
| | 62,775 | 66,795 | 8,924 | 4,898 |
| Total assets | 93,131 | 94,092 | 62,771 | 60,994 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 60,423 | 60,423 | 74,240 | 74,240 |
| Treasury shares | (1,656) | (1,656) | (1,656) | (1,656) |
| Reserves | (837) | (2,161) | (10,869) | (13,988) |
| Equity attributable to owners of the Company | 57,930 | 56,606 | 61,715 | 58,596 |
| Non-controlling interests | 30 | - | - | - |
| Total equity | 57,960 | 56,606 | 61,715 | 58,596 |
| Non-current Liabilities | | | | |
| Other payables | 104 | 104 | - | - |
| Lease liabilities | 1,523 | - | 63 | - |
| Deferred tax liabilities | 406 | 406 | - | - |
| | 2,033 | 510 | 63 | - |
| Current Liabilities | | | | |
| Due to subsidiaries | - | - | 553 | 2,109 |
| Trade payables | 12,255 | 19,381 | - | - |
| Other payables | 6,412 | 5,326 | 328 | 221 |
| Borrowings | 12,803 | 11,974 | - | - |
| Lease liabilities | 1,189 | - | 112 | - |
| Provision for income tax | 479 | 295 | - | 68 |
| | 33,138 | 36,976 | 993 | 2,398 |
| Total liabilities | 35,171 | 37,486 | 1,056 | 2,398 |
| Total equity and liabilities | 93,131 | 94,092 | 62,771 | 60,994 |

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 2019 | | As at 31 Dec 2018 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 12,803 | - | 11,974 | - |

Amount repayable after one year

| As at 30 Sep 2019 | | As at 31 Dec 2018 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| - | - | - | - |

Details of any collateral

The revolving credit loans of US\$12,803,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

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 FY2019 US\$'000 | Q3 FY2018 US\$'000 | 9 Months FY2019 US\$'000 | 9 Months FY2018 US\$'000 |
| Cash Flows from Operating Activities | | | | |
| Profit before income tax | 294 | 104 | 2,428 | 900 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 858 | 696 | 2,431 | 2,099 |
| Amortisation of intangible assets | 230 | 176 | 690 | 527 |
| (Gain)/Loss on disposal of property, plant and equipment | (30) | (8) | (17) | 5 |
| Depreciation of right-of-use assets | 579 | - | 1,731 | - |
| Allowance/(Write-back) for inventory obsolescence, net | 149 | 140 | (115) | 294 |
| Bad debts written off | - | - | 16 | - |
| Unrealised exchange (gain)/loss | (137) | (55) | (232) | 155 |
| Interest income | (57) | (6) | (155) | (50) |
| Interest expense | 392 | 130 | 802 | 377 |
| Share-based payments | - | 3 | 2 | 14 |
| Write-back of payables | - | (73) | (74) | (73) |
| Operating cash flow before working capital changes | 2,278 | 1,107 | 7,507 | 4,248 |
| Changes in working capital: | | | | |
| Inventories | 3,765 | (393) | 3,591 | (57) |
| Trade receivables | 287 | (4,041) | 3,033 | (1,533) |
| Other receivables and prepayments | 45 | (250) | (97) | 1,390 |
| Trade and other payables | (1,070) | 2,682 | (6,373) | 1,580 |
| Cash generated from/(used in) operating activities | 5,305 | (895) | 7,661 | 5,628 |
| Interest paid | (205) | (52) | (440) | (171) |
| Income tax paid | (135) | (61) | (333) | (140) |
| Net cash generated from/(used in) operating activities | 4,965 | (1,008) | 6,888 | 5,317 |
| Cash Flows from Investing Activities | | | | |
| Interest received | 6 | 4 | 36 | 48 |
| Purchase of property, plant and equipment | (1,052) | (1,661) | (2,894) | (2,372) |
| Proceeds from disposal of property, plant and equipment | 62 | 8 | 63 | 36 |
| Acquisition of intangible assets | - | (2,250) | - | (2,250) |
| Payment for financial asset, at fair value through profit or loss | - | - | (779) | - |
| Net cash used in investing activities | (984) | (3,899) | (3,574) | (4,538) |
| Cash Flows from Financing Activities | | | | |
| Proceeds from borrowings | 15,245 | 14,323 | 51,739 | 38,593 |
| Repayment of borrowings | (16,090) | (13,023) | (50,908) | (36,723) |
| Repayment of lease liabilities | (179) | - | (1,638) | - |
| Capital contribution from non-controlling interests | 32 | - | 32 | - |
| Net cash (used in)/generated from financing activities | (992) | 1,300 | (775) | 1,870 |
| Net increase/(decrease) in cash and cash equivalents | 2,989 | (3,607) | 2,539 | 2,649 |
| Cash and cash equivalents at the beginning of the period | 7,891 | 13,386 | 8,381 | 7,152 |
| Effect of foreign exchange rate changes on the balance of cash held in foreign currencies | (62) | (7) | (102) | (29) |
| Cash and cash equivalents at the end of the period⁽ⁱ⁾ | 10,818 | 9,772 | 10,818 | 9,772 |

Note:

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

| | Q3 FY2019 US\$'000 | Q3 FY2018 US\$'000 | 9 Months FY2019 US\$'000 | 9 Months FY2018 US\$'000 |
|---|-----------------------------------|-----------------------------------|---|---|
| Cash and bank balances | 10,788 | 9,742 | 10,788 | 9,742 |
| Fixed deposits | 30 | 30 | 30 | 30 |
| Cash and cash equivalents per the consolidated statement of cash flows | 10,818 | 9,772 | 10,818 | 9,772 |

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 | Attributable to equity holders of the Company US\$'000 | Non-controlling interests US\$'000 | Total US\$'000 |
|---|---------------------------|-----------------------------|-----------------------------|---|-----------------------------------|-----------------------------|--|------------------------------|---|---------------------------------------|-------------------|
| Balance as at 1 Jan 2019 | 60,423 | (1,656) | (10,150) | 6 | 723 | (3,560) | (1,289) | 12,109 | 56,606 | - | 56,606 |
| Effect of adoption of SFRS(I) 16 | - | - | - | - | - | - | - | (239) | (239) | - | (239) |
| Share-based payments | - | - | - | - | 2 | - | - | - | 2 | - | 2 |
| Profit for the period | - | - | - | - | - | - | - | 741 | 741 | - | 741 |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | 53 | - | 53 | - | 53 |
| Total other comprehensive income for the period | - | - | - | - | - | - | 53 | 741 | 794 | - | 794 |
| Balance as at 31 Mar 2019 | 60,423 | (1,656) | (10,150) | 6 | 725 | (3,560) | (1,236) | 12,611 | 57,163 | - | 57,163 |
| Profit for the period | - | - | - | - | - | - | - | 845 | 845 | - | 845 |
| Other comprehensive loss: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (153) | - | (153) | - | (153) |
| Total other comprehensive income for the period | - | - | - | - | - | - | (153) | 845 | 692 | - | 692 |
| Balance as at 30 Jun 2019 | 60,423 | (1,656) | (10,150) | 6 | 725 | (3,560) | (1,389) | 13,456 | 57,855 | - | 57,855 |
| Capital subscribed by non-controlling interests | - | - | - | - | - | - | - | - | - | 32 | 32 |
| Transfer to capital reserve in accordance with statutory requirements | - | - | - | - | - | (1,549) | - | 1,549 | - | - | - |
| Profit for the period | - | - | - | - | - | - | - | 228 | 228 | (2) | 226 |
| Other comprehensive loss: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (153) | - | (153) | - | (153) |
| Total other comprehensive income for the period | - | - | - | - | - | - | (153) | 228 | 75 | (2) | 73 |
| Balance as at 30 Sep 2019 | 60,423 | (1,656) | (10,150) | 6 | 725 | (5,109) | (1,542) | 15,233 | 57,930 | 30 | 57,960 |

Global Invacom Group Limited

Page 8 of 17

| 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 | Attributable to equity holders of the Company US\$'000 | Non-controlling interests US\$'000 | Total US\$'000 |
|--|---------------------------|-----------------------------|-----------------------------|---|-----------------------------------|-----------------------------|--|------------------------------|---|---------------------------------------|-------------------|
| Balance as at 1 Jan 2018 | 60,423 | (1,656) | (10,150) | 6 | 706 | (3,695) | (872) | 10,708 | 55,470 | - | 55,470 |
| Share-based payments | - | - | - | - | 8 | - | - | - | 8 | - | 8 |
| Profit for the period | - | - | - | - | - | - | - | 326 | 326 | - | 326 |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | 124 | - | 124 | - | 124 |
| Total other comprehensive income for the period | - | - | - | - | - | - | 124 | 326 | 450 | - | 450 |
| Balance as at 31 Mar 2018 | 60,423 | (1,656) | (10,150) | 6 | 714 | (3,695) | (748) | 11,034 | 55,928 | - | 55,928 |
| Share-based payments | - | - | - | - | 3 | - | - | - | 3 | - | 3 |
| Profit for the period | - | - | - | - | - | - | - | 206 | 206 | - | 206 |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | 69 | - | 69 | - | 69 |
| Total other comprehensive income for the period | - | - | - | - | - | - | 69 | 206 | 275 | - | 275 |
| Balance as at 30 Jun 2018 | 60,423 | (1,656) | (10,150) | 6 | 717 | (3,695) | (679) | 11,240 | 56,206 | - | 56,206 |
| Share-based payments | - | - | - | - | 3 | - | - | - | 3 | - | 3 |
| Profit for the period | - | - | - | - | - | - | - | 109 | 109 | - | 109 |
| Other comprehensive loss: | | | | | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | (127) | - | (127) | - | (127) |
| Total other comprehensive loss for the period | - | - | - | - | - | - | (127) | 109 | (18) | - | (18) |
| Balance as at 30 Sep 2018 | 60,423 | (1,656) | (10,150) | 6 | 720 | (3,695) | (806) | 11,349 | 56,191 | - | 56,191 |

| 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 |
|--|---------------------------|-----------------------------|-----------------------------------|-----------------------------|--|--------------------------------|-------------------|
| Balance as at 1 Jan 2019 | 74,240 | (1,656) | 723 | (4,481) | (1,927) | (8,303) | 58,596 |
| Effect of adoption of SFRS(I) 16 | - | - | - | - | - | (5) | (5) |
| Share-based payments | - | - | 2 | - | - | - | 2 |
| Loss for the period | - | - | - | - | - | (485) | (485) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (485) | (485) |
| Balance as at 31 Mar 2019 | 74,240 | (1,656) | 725 | (4,481) | (1,927) | (8,793) | 58,108 |
| Profit for the period | - | - | - | - | - | 2,297 | 2,297 |
| Other comprehensive income: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive income for the period | - | - | - | - | - | 2,297 | 2,297 |
| Balance as at 30 Jun 2019 | 74,240 | (1,656) | 725 | (4,481) | (1,927) | (6,496) | 60,405 |
| Profit for the period | - | - | - | - | - | 1,889 | 1,889 |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | (579) | - | (579) |
| Total other comprehensive income for the period | - | - | - | - | (579) | 1,889 | 1,310 |
| Balance as at 30 Sep 2019 | 74,240 | (1,656) | 725 | (4,481) | (2,506) | (4,607) | 61,715 |
| Balance as at 1 Jan 2018 | 74,240 | (1,656) | 706 | (4,481) | (1,927) | (7,618) | 59,264 |
| Share-based payments | - | - | 7 | - | - | - | 7 |
| Loss for the period | - | - | - | - | - | (234) | (234) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (234) | (234) |
| Balance as at 31 Mar 2018 | 74,240 | (1,656) | 713 | (4,481) | (1,927) | (7,852) | 59,037 |
| Share-based payments | - | - | 4 | - | - | - | 4 |
| Loss for the period | - | - | - | - | - | (240) | (240) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (240) | (240) |
| Balance as at 30 Jun 2018 | 74,240 | (1,656) | 717 | (4,481) | (1,927) | (8,092) | 58,801 |
| Share-based payments | - | - | 3 | - | - | - | 3 |
| Loss for the period | - | - | - | - | - | (205) | (205) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | - | - | - | - | - | - | - |
| Total other comprehensive loss for the period | - | - | - | - | - | (205) | (205) |
| Balance as at 30 Sep 2018 | 74,240 | (1,656) | 720 | (4,481) | (1,927) | (8,297) | 58,599 |

- 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 FY2019 | No. of shares | US\$'000 |
|--|---------------|----------|
| Balance as at 1 Jan 2019 and 30 Sep 2019 | 271,662,227 | 72,584 |

| 9 Months FY2018 | No. of shares | US\$'000 |
|--|---------------|----------|
| Balance as at 1 Jan 2018 and 30 Sep 2018 | 271,662,227 | 72,584 |

There were 10,740,072 treasury shares held by the Company as at 30 September 2019 and 30 September 2018 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 2019 | 31 Dec 2018 |
|---|-------------|-------------|
| 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 FY2019 | No. of shares | US\$'000 |
|--|---------------|----------|
| Balance as at 1 Jan 2019 and 30 Sep 2019 | 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 FY2019 | No. of shares | US\$'000 |
|--|---------------|----------|
| Balance as at 1 Jan 2019 and 30 Sep 2019 | - | - |

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.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation consistent with those used in the most recent audited financial statements for the year ended 31 December 2018.

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 various new and revised SFRS(I)s and IFRSs that are relevant to its operations and effective for the period beginning 1 January 2019. Except as disclosed below, the adoption of the new and revised SFRS(I)s and IFRSs has no material financial impact on the Group's financial statements.

SFRS(I) 16 and IFRS 16, *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces existing lease accounting guidance. SFRS(I) 16 and IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group adopted SFRS(I) 16 and IFRS 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognised the cumulative effect of initially applying SFRS(I) 16 and IFRS 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group also adopted an expedient offered by SFRS(I) 16 and IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

The Group and the Company have entered into several leasing arrangements with lessors for factory buildings and office premises. Prior to the adoption of SFRS(I) 16 and IFRS 16, the Group and the Company recognised these arrangement as operating leases and payments made under operating leases are recognised in the income statement on a straight-line basis over the period of the lease. Upon adoption of SFRS(I) 16 and IFRS 16, the Group and the Company recognised the right-of-use assets and lease liabilities. The nature of expenses related to those leases will change as SFRS(I) 16 and IFRS 16 replaces the straight-line operating lease expense with depreciation charge for right-of-use assets and interest expenses on lease liabilities. The Group does not restate the comparative information for the effect of adopting SFRS(I) 16 and IFRS 16 due to the exemption in SFRS(I) 16 and IFRS 16 but has instead recognised the effect in retained earnings and other reserves as at 1 January 2019.

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 FY2019 US\$ | Q3 FY2018 US\$ | 9 Months FY2019 US\$ | 9 Months FY2018 US\$ |
| (a) Based on weighted average number of ordinary shares on issue; and | 0.08 cent | 0.04 cent | 0.67 cent | 0.24 cent |
| (b) On a fully diluted basis | 0.08 cent* | 0.04 cent* | 0.67 cent* | 0.24 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 | 271,662,227 | 271,662,227 | 271,662,227 | 271,662,227 |

* Diluted earnings per share for Q3 FY2019 and 9 Months FY2019 are the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to increase the earnings per share.

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 2019 US\$ | 31 Dec 2018 US\$ | 30 Sep 2019 US\$ | 31 Dec 2018 US\$ |
| Net asset value per ordinary share based on issued share capital | 21.32 cents | 20.84 cents | 22.72 cents | 21.57 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

The Group's revenue for the nine months ended 30 September 2019 ("9M FY2019") increased by US\$18.5 million to US\$104.4 million from US\$85.9 million in the prior year ("9M FY2018"). Revenue for the quarter ended ("Q3 FY2019") amounted to US\$32.5 million against US\$30.5 million in the prior year quarter ("Q3 FY2018"), reflecting the overall buoyancy and demand in the market globally, as well as its introduction of new and improved products to key customers.

Geographically, Group revenue for 9M FY2019 increased in America, Europe and Rest of the World ("RoW") by US\$14.8 million (+24.9%), US\$2.6 million (+13.1%) and US\$3.1 million (+157.1%), respectively, offset by reductions in Asia by US\$2.0 million (-45.3%). Revenue for Q3 FY2019 increased in Europe and RoW by US\$1.2 million (+18.7%) and US\$0.9 million (+141.6%), respectively but declined in Asia by US\$0.1 million (-6.7%) compared to the prior year. The America segment remained constant in the comparative Q3 period.

Gross Profit

The increase in revenue has resulted in a 19.7% increase in gross profit from US\$17.8 million in 9M FY2018 to US\$21.3 million in 9M FY2019, due to the launch of new slimline products, improved product mix and the optimisation of manufacturing facilities. Gross profit margin decreased slightly by 0.3 percentage points from 20.7% to 20.4%. Similarly, for Q3 FY2019, gross profit margin decreased by 0.6 percentage points from 19.7% to 19.1%, due to product mix, with gross profit at US\$6.2 million against US\$6.0 million for Q3 FY2018.

Other Income

Other income in Q3 FY2019 relates primarily to foreign exchange gains and gain on disposal of equipment.

Administrative Expenses

Administrative expenses for 9M FY2019 increased 9.8% to US\$18.0 million compared to US\$16.4 million in 9M FY2018, representing 17.2% and 19.1% of revenue respectively, primarily due to the inclusion of salaries and related costs from the acquisition of business from Skyware Technologies and professional fees incurred for the proposed reverse takeover, which were both absent in 9M FY2018. If these costs were excluded, administrative expenses would be US\$16.3 million compared to US\$16.4 million for 9M FY2018, a 0.6% decrease.

Administrative expenses for Q3 FY2019 remained constant at US\$5.8 million compared to the previous year, representing 17.9% and 19.0% of revenue respectively.

Profit Before Tax & Net Profit

The Group posted a profit before tax of US\$2.4 million in 9M FY2019, compared to US\$0.9 million the prior year, representing margins of 2.3% and 1.0%, respectively. For Q3 FY2019, the Group recorded US\$0.3 million profit before tax compared to US\$0.1 million in the prior year quarter, representing margins of 0.9% and 0.3%, respectively.

Overall, the Group posted a net profit of US\$1.8 million in 9M FY2019, compared to US\$0.6 million in 9M FY2018, representing net margins of 1.7% and 0.7%, respectively. The Group recorded a net profit of US\$0.2 million in Q3 FY2019 compared to US\$0.1 million the prior year quarter, representing net margins of 0.7% and 0.4%, respectively.

Review of Financial Position

Non-current assets increased by US\$3.1 million to US\$30.4 million as at 30 September 2019, primarily due to the adoption of SFRS(I) 16 on leases, addition of property, plant and equipment as well as the interest accrued on the convertible loans subscribed in Tactilis Sdn. Bhd.

Net current assets decreased by US\$0.2 million to US\$29.6 million as at 30 September 2019 compared to US\$29.8 million as at 31 December 2018. Inventories, trade and other receivables and trade and other payables decreased by US\$3.4 million, US\$3.0 million and US\$6.0 million respectively, with better procurement control, faster collection and continuing payment to suppliers. Borrowings increased by US\$0.8 million to US\$12.8 million with cash and cash equivalents increased by US\$2.4 million to US\$10.8 million as at 30 September 2019 compared to US\$8.4 million as at 31 December 2018. Provision for income tax increased by US\$0.2 million, in line with the increase in profits. The adoption of SFRS(I) 16 on leases increased the current portion of lease liabilities by US\$1.2 million.

Similarly, the non-current portion of the lease liabilities increased to US\$1.5 million.

The Group's net asset value stood at US\$58.0 million as at 30 September 2019, compared to US\$56.6 million as at 31 December 2018.

Review of Cash Flows

In Q3 FY2019, net cash generated from operating activities amounted to US\$5.0 million, comprising US\$2.3 million cash inflow from operating activities (before working capital changes), US\$3.0 million net working capital inflow and US\$0.3 million payment of interest and income tax.

In 9M FY2019, net cash generated from operating activities amounted to US\$6.9 million, comprising US\$7.5 million cash inflow from operating activities (before working capital changes), US\$0.2 million net working capital inflow and US\$0.8 million payment of interest and income tax.

Net cash used in investing activities in Q3 FY2019 and 9M FY2019 amounted to US\$1.0 million and US\$3.6 million, respectively, relating predominately to purchase of machinery and equipment and payment for Apexsat Pte Ltd.

Net cash used in financing activities in Q3 FY2019 and 9M FY2019 amounted to US\$1.0 million and US\$0.8 million, respectively, attributable to the net proceeds of borrowings and repayment of lease liabilities.

Overall, the Group recorded a net increase in cash and cash equivalents amounting to US\$3.0 million and US\$2.5 million in Q3 FY2019 and 9M FY2019, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$10.8 million as at 30 September 2019.

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.

The Group continues to see strong market traction for its products in both the DTH and DOS markets, with the continued investment in R&D being reflected by the positive market reception of newly introduced and improved products such as the Slimline LNB for the United States ("U.S.") DTH customer base. Similarly, by bolstering the Group's capabilities through recent acquisitions, Global Invacom is now uniquely placed in the industry to offer integrated, fixed and tracking, antenna and electronics solutions for customers serving both the DTH and DOS markets.

The global satellite communications equipment market was valued at US\$22.1 billion in 2018 and is expected to exceed US\$53 billion by 2027, representing a CAGR of over 10% during the forecast period¹, with the VSAT/DOS market accounting for US\$12.3 billion of this total in 2027².

In the DTH market, the Group continues to see a strong revenue stream. The extent of customers ending their traditional cable and satellite TV subscriptions – known as cord cutting – has been smaller than expected. Similarly, while there has been a proliferation of OTT services which were expected to threaten the DTH subscriber numbers, the anticipated drop off hasn't occurred. As such, DTH continues to play a central role in the provision of connectivity and satellite TV, particularly in developed economies such as the UK and Canada, and it is anticipated DTH will co-exist alongside OTT services going forward.

In the DOS vertical, the Group is seeing significant opportunities driven by the exponential growth in data consumption and demand for uninterrupted connectivity. Ericsson recently released a report stating that total mobile data traffic is expected to grow at 30% CAGR between 2018 and 2024, reaching 131 exabytes per month by the end of 2024, with 95% of that traffic generated from smartphones³.

In many territories, satellite presents the only viable solution to deliver connectivity, where alternatives such as fibre infrastructure are not viable due to cost or the sheer scale it is required to cover. The Group continues to drive its R&D investment in DOS and DTH to capitalise on our reputation of delivering reliable, cutting edge and market leading products to customers. Furthermore, the acquisition of Skyware Technologies in Q3 FY2018 has significantly improved the Group's positioning, with the capability to now deliver integrated antenna and electronics solutions to its customer base for the DOS segment as well as DTH. The Group continues to secure new business in this division across a number of global customers, with a strong pipeline of opportunities it will seek to convert in Q4 and beyond.

The integration of the Apexsat acquisition – announced in June 2019 – continues to progress well, and, as expected, has opened up multiple opportunities through the expansion of the Group's capabilities and product range. With its larger portfolio of products available to clients, Global Invacom is now well-positioned to bid for large scale tenders which it has historically been unable to participate in.

Notwithstanding the above, the Group is mindful of the difficult economic conditions in areas of the world in which we do business and, as much as possible, has plans and actions in place to react quickly and decisively to reduce any long-term impacts on the business.

¹ [Research and Markets – SATCOM Equipment – Global Market Outlook \(2018-2027\)](#)

² [Northern Sky Research – VSAT and Broadband Satellite Markets – 17th edition](#)

³ [Ericsson – Mobile data traffic outlook](#)

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/recommendedd, a statement to that effect.

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the nine months ended 30 September 2019.

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.

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 2019 to be false or misleading in any material aspect.

On behalf of the Board

Anthony Brian Taylor
Director

Matthew Jonathan Garner
Director

BY ORDER OF THE BOARD
Anthony Brian Taylor
Executive Chairman

14 November 2019

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