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GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 200202428H)

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FINANCIAL STATEMENT ANNOUNCEMENT FOR Q4 AND YEAR ENDED 31 DECEMBER 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 Q4 and the year ended 31 December 2019. These figures have not been audited.

	Group			Group		
	Q4 FY2019 US\$'000	Q4 FY2018 US\$'000	Increase/ (Decrease) %	FY2019 US\$'000	FY2018 US\$'000	Increase/ (Decrease) %
Revenue	30,068	36,366	(17.3)	134,509	122,292	10.0
Cost of sales	(27,295)	(28,963)	(5.8)	(110,443)	(97,104)	13.7
Gross profit	2,773	7,403	(62.5)	24,066	25,188	(4.5)
Other income	223	482	(53.7)	244	569	(57.1)
Distribution costs	(71)	(69)	2.9	(292)	(322)	(9.3)
Administrative expenses	(9,427)	(6,514)	44.7	(27,429)	(22,913)	19.7
Other operating expenses	(8,200)	(21)	N.M.	(8,216)	(14)	N.M.
Finance income	75	46	63.0	230	96	139.6
Finance costs	(344)	(146)	135.6	(1,146)	(523)	119.1
(Loss)/Profit before income tax⁽ⁱ⁾	(14,971)	1,181	N.M.	(12,543)	2,081	N.M.
Income tax credit/(expense)	870	(286)	N.M.	254	(545)	N.M.
(Loss)/Profit after income tax	(14,101)	895	N.M.	(12,289)	1,536	N.M.

Other comprehensive income/(loss):

Items that may be reclassified
subsequently to profit or loss

- Exchange differences on translation
of foreign subsidiaries

325	(483)	N.M.	72	(417)	N.M.
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**Other comprehensive income/(loss)
for the period, net of tax**

325	(483)	N.M.	72	(417)	N.M.
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Total comprehensive (loss)/income

(13,776)	412	N.M.	(12,217)	1,119	N.M.
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Loss for the year attributable to:

Owners of the Company

(14,092)	895	N.M.	(12,278)	1,536	N.M.
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Non-controlling interests

(9)	-	N.M.	(11)	-	N.M.
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(14,101)	895	N.M.	(12,289)	1,536	N.M.
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Total comprehensive (loss)/income
attributable to:

Owners of the Company

(13,767)	412	N.M.	(12,206)	1,119	N.M.
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Non-controlling interests

(9)	-	N.M.	(11)	-	N.M.
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(13,776)	412	N.M.	(12,217)	1,119	N.M.
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N.M.: Not Meaningful

Note:

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

	Group			Group		
	Q4 FY2019 US\$'000	Q4 FY2018 US\$'000	Increase/ (Decrease) %	FY2019 US\$'000	FY2018 US\$'000	Increase/ (Decrease) %
Interest income	75	46	63.0	230	96	139.6
Interest expense	(344)	(146)	135.6	(1,146)	(523)	119.1
Gain on bargain purchase	-	482	(100.0)	-	482	(100.0)
Write-back of payables	-	-	-	74	73	1.4
Gain/(Loss) on disposal of property, plant and equipment	3	-	N.M.	20	(5)	N.M.
Gain on disposal of subsidiary	4	-	N.M.	4	-	N.M.
Loss on foreign exchange	(37)	(21)	76.2	(214)	(9)	N.M.
Impairment of property, plant and equipment	(2,185)	-	N.M.	(2,185)	-	N.M.
Depreciation of property, plant and equipment	(852)	(791)	7.7	(3,283)	(2,890)	13.6
Amortisation of intangible assets	(230)	(146)	57.5	(920)	(673)	36.7
Impairment of intangible assets	-	(93)	(100.0)	-	(93)	(100.0)
Depreciation of right-of-use assets	(673)	-	N.M.	(2,404)	-	N.M.
(Allowance)/Write-back for inventory obsolescence, net	(2,931)	706	N.M.	(2,816)	412	N.M.
Inventory written off	(1,256)	-	N.M.	(1,256)	-	N.M.
Impairment of receivables	(357)	-	N.M.	(357)	-	N.M.
Impairment of loans	(2,181)	-	N.M.	(2,181)	-	N.M.
Bad debts written off	-	-	-	(16)	-	N.M.
Research and development expense	(159)	(665)	(76.1)	(1,671)	(2,805)	(40.4)
Impairment of goodwill	(3,260)	-	N.M.	(3,260)	-	N.M.
Restructuring costs	(4,188)	-	N.M.	(4,188)	-	N.M.

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 2019 US\$'000	31 Dec 2018 US\$'000	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	10,254	12,606	168	85
Right-of-use assets	7,533	-	144	-
Investments in subsidiaries	-	-	27,586	44,892
Goodwill	6,092	9,352	-	-
Intangible assets	3,104	3,656	-	-
Other financial assets	8	1,519	-	1,511
Deferred tax assets	975	109	-	-
Other receivables and prepayments	54	55	10,100	9,608
	28,020	27,297	37,998	56,096
Current Assets				
Due from subsidiaries	-	-	4,105	939
Inventories	25,795	31,625	-	-
Trade receivables	19,846	24,874	-	-
Other receivables and prepayments	1,909	1,900	3,407	3,433
Tax receivables	38	15	-	-
Cash and cash equivalents	8,912	8,381	610	526
	56,500	66,795	8,122	4,898
Total assets	84,520	94,092	46,120	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	(14,691)	(2,161)	(26,853)	(13,988)
Equity attributable to owners of the Company	44,076	56,606	45,731	58,596
Non-controlling interests	(11)	-	-	-
Total equity	44,065	56,606	45,731	58,596
Non-current Liabilities				
Other payables	108	104	-	-
Lease liabilities	5,948	-	35	-
Deferred tax liabilities	428	406	-	-
	6,484	510	35	-
Current Liabilities				
Due to subsidiaries	-	-	-	2,109
Trade payables	12,903	19,381	-	-
Other payables	10,238	5,326	238	221
Borrowings	8,929	11,974	-	-
Lease liabilities	1,897	-	116	-
Provision for income tax	4	295	-	68
	33,971	36,976	354	2,398
Total liabilities	40,455	37,486	389	2,398
Total equity and liabilities	84,520	94,092	46,120	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 31 Dec 2019		As at 31 Dec 2018	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
8,929	-	11,974	-

Amount repayable after one year

As at 31 Dec 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\$8,929,000 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	
	Q4 FY2019 US\$'000	Q4 FY2018 US\$'000	FY2019 US\$'000	FY2018 US\$'000
Cash Flows from Operating Activities				
(Loss)/Profit before income tax	(14,971)	1,181	(12,543)	2,081
Adjustments for:				
Depreciation of property, plant and equipment	852	791	3,283	2,890
Amortisation of intangible assets	230	146	920	673
Impairment of property, plant and equipment	2,185	93	2,185	93
(Gain)/Loss on disposal of property, plant and equipment	(3)	-	(20)	5
Depreciation of right-of-use assets	673	-	2,404	-
Impairment of intangible assets	-	93	-	93
Allowance/(Write-back) for inventory obsolescence, net	2,931	(706)	2,816	(412)
Inventory written off	1,256	-	1,256	-
Bad debts written off	-	-	16	-
Impairment of receivables	357	-	357	-
Impairment of loans	2,181	-	2,181	-
Unrealised exchange loss	445	11	213	166
Interest income	(75)	(46)	(230)	(96)
Interest expense	344	146	1,146	523
Share-based payments	-	3	2	17
Gain on disposal of subsidiary	(4)	-	(4)	-
Gain on bargain purchase	-	(482)	-	(482)
Write-back of payables	-	-	(74)	(73)
Impairment of goodwill	3,260	-	3,260	-
Operating cash flow before working capital changes	(339)	1,137	7,168	5,385
Changes in working capital:				
Inventories	(1,833)	(2,134)	1,758	(2,191)
Trade receivables	1,983	(4,085)	5,016	(5,618)
Other receivables and prepayments	(1,139)	87	(1,130)	1,477
Trade and other payables	6,254	3,631	(119)	5,211
Cash generated from/(used in) operating activities	4,926	(1,364)	12,693	4,264
Interest paid	(458)	(56)	(972)	(227)
Income tax refund/(paid)	(494)	(131)	(859)	(271)
Net cash generated from/(used in) operating activities	3,974	(1,551)	10,862	3,766
Cash Flows from Investing Activities				
Interest received	23	37	59	85
Purchase of property, plant and equipment	(421)	839	(3,315)	(1,533)
Proceeds from disposal of property, plant and equipment	16	-	79	36
Decrease in intangible assets	-	2,250	-	-
Payment for intangible assets	-	-	(279)	-
Acquisition of a business	-	(3,500)	-	(3,500)
Payment for financial asset, at fair value through profit or loss	-	(1,500)	(500)	(1,500)
Net cash used in investing activities	(382)	(1,874)	(3,956)	(6,412)

	Group		Group	
	Q4	Q4	FY2019	FY2018
	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows from Financing Activities				
Proceeds from borrowings	13,367	16,093	54,933	54,686
Repayment of borrowings	(17,318)	(14,088)	(58,053)	(50,811)
Repayment of lease liabilities	(1,382)	-	(3,020)	-
Capital contribution from non-controlling interests	(32)	-	-	-
Acquisition of non-controlling interests	(11)	-	(11)	-
Net cash (used in)/generated from financing activities	(5,376)	2,005	(6,151)	3,875
Net (decrease)/increase in cash and cash equivalents	(1,784)	(1,420)	755	1,229
Cash and cash equivalents at the beginning of the period	10,818	9,772	8,381	7,152
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(122)	29	(224)	-
Cash and cash equivalents at the end of the period⁽ⁱ⁾	8,912	8,381	8,912	8,381

Note:

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

	Q4	Q4	FY2019	FY2018
	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances	8,882	8,351	8,882	8,351
Fixed deposits	30	30	30	30
Cash and cash equivalents per the consolidated statement of cash flows	8,912	8,381	8,912	8,381

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

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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
Effect of adoption of SFRS(I) 16	-	-	-	-	-	-	-	(87)	(87)	-	(87)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(32)	(32)
Loss for the period	-	-	-	-	-	-	-	(14,092)	(14,092)	(9)	(14,101)
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	325	-	325	-	325
Total other comprehensive income for the period	-	-	-	-	-	-	325	(14,092)	(13,767)	(9)	(13,776)
Balance as at 31 Dec 2019	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,217)	1,054	44,076	(11)	44,065

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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
Share-based payments	-	-	-	-	3	-	-	-	3	-	3
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	135	-	-	135	-	135
Profit for the period	-	-	-	-	-	-	-	895	895	-	895
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(483)	-	(483)	-	(483)
Total other comprehensive income for the period	-	-	-	-	-	-	(483)	895	412	-	412
Balance as at 31 Dec 2018	60,423	(1,656)	(10,150)	6	723	(3,560)	(1,289)	12,109	56,606	-	56,606

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
Loss for the period	-	-	-	-	-	(15,984)	(15,984)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	(15,984)	(15,984)
Balance as at 31 Dec 2019	74,240	(1,656)	725	(4,481)	(2,506)	(20,591)	45,731

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 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
Share-based payments	-	-	3	-	-	-	3
Loss for the period	-	-	-	-	-	(6)	(6)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(6)	(6)
Balance as at 31 Dec 2018	74,240	(1,656)	723	(4,481)	(1,927)	(8,303)	58,596

- 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.

FY2019	No. of shares	US\$'000
Balance as at 1 Jan 2019 and 31 Dec 2019	271,662,227	72,584

FY2018	No. of shares	US\$'000
Balance as at 1 Jan 2018 and 31 Dec 2018	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 31 December 2019 and 31 December 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.

	31 Dec 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.

FY2019	No. of shares	US\$'000
Balance as at 1 Jan 2019 and 31 Dec 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.

FY2019	No. of shares	US\$'000
Balance as at 1 Jan 2019 and 31 Dec 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 modifications or emphasis of a matter).

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -**
- (a) Updates on the efforts taken to resolve each outstanding audit issues.**
 - (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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 arrangements 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	
	Q4 FY2019 US\$	Q4 FY2018 US\$	FY2019 US\$	FY2018 US\$
(a) Based on weighted average number of ordinary shares on issue; and	(5.19) cents	0.33 cent	(4.52) cents	0.57 cent
(b) On a fully diluted basis	(5.18) cents	0.33 cent*	(4.52) cents*	0.57 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	272,126,126	271,662,227	271,662,227	271,662,227

* Diluted earnings per share 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	
	31 Dec 2019 US\$	31 Dec 2018 US\$	31 Dec 2019 US\$	31 Dec 2018 US\$
Net asset value per ordinary share based on issued share capital	16.22 cents	20.84 cents	16.83 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 year ended 31 December 2019 ("FY2019") increased by US\$12.2 million (10.0%) to US\$134.5 million from US\$122.3 million in the prior year ("FY2018"), reflecting the increasing demand in the global market for the Group products. Revenue for the quarter ended 31 December 2019 ("Q4 FY2019") amounted to US\$30.1 million against US\$36.4 million in the prior year quarter ("Q4 FY2018") which experienced extremely high demand from two major customers.

Geographically, Group revenue for FY2019 increased in America, Europe and Rest of the World ("RoW") by US\$7.8 million (+9.1%), US\$4.2 million (+15.5%) and US\$1.3 million (+30.3%), respectively, offset by reductions in Asia by US\$1.1 million (-20.7%). Revenue for Q4 FY2019 increased in Europe and Asia by US\$1.6 million (+22.4%) and US\$0.9 million (+110.6%), respectively but declined in America and RoW by US\$7.0 million (-26.8%) and US\$1.8 million (-77.3%), respectively, compared to the prior year.

Gross Profit

Gross profit decreased by US\$1.1 million from US\$25.2 million in FY2018 to US\$24.1 million in FY2019, with gross profit margin decreased by 4.6 percentage points from 20.6% to 17.9%, mainly due to the impairment costs in the Shanghai manufacturing facility following the relocation of its operations to the Philippines. Excluding these, gross profit in FY2019 would have increased by US\$3.0 million to US\$28.2 million, with a gross profit margin of 20.9%. Similarly, for Q4 FY2019, gross profit margin decreased from 20.4% to 9.2%, with gross profit at US\$2.8 million against US\$7.4 million for Q4 FY2018. Excluding the impairment costs, gross profit in Q4 FY2019 would be US\$6.9 million, with a gross profit margin of 21.8%, an increase of 2.5 percentage points on Q4 FY2018.

Other Income

Other income in Q4 FY2019 and FY2019 relates primarily to government subsidies received in China, write-back of payables and gain on disposal of equipment.

Administrative Expenses

Administrative expenses for FY2019 increased 19.7% to US\$27.4 million compared to US\$22.9 million in FY2018, representing 20.4% and 18.7% of revenue, respectively. The increase arose from the inclusion of salaries and related costs from the acquisition of Skyware Technologies in September 2018, the compensation to be made to the employees in the Shanghai manufacturing facility following the relocation to the Philippines where the employees having been made redundant based on the Labour Law in China and a small-scale restructuring in one of the UK manufacturing facilities. If the compensation and restructuring costs were excluded, administrative expenses for FY2019 would be US\$23.2 million, representing 17.3% of revenue.

Similarly, administrative expenses for Q4 FY2019 increased 44.7% to US\$9.4 million compared to US\$6.5 million in the previous quarter, representing 31.4% and 17.9% of revenue respectively. If the compensation and restructuring costs were excluded, administrative expenses for Q4 FY2019 would be US\$5.5 million, representing 18.2% of revenue.

Other Operating Expenses

Other operating expenses in Q4 FY2019 relates primarily to the impairment of equipment and other receivables in the Shanghai manufacturing facility, impairment of goodwill in one of the UK manufacturing facilities, as well as the impairment of loans.

Profit Before Tax & Net Profit

The Group posted a loss before tax of US\$12.5 million in FY2019, compared to a profit before tax of US\$2.1 million the prior year, representing a negative margin of 9.3% and a margin of 1.7%, respectively. For Q4 FY2019, the Group recorded US\$15.0 million loss before tax compared to a profit before tax of US\$1.2 million in the prior year quarter, representing a negative margin of 49.8% and a margin of 3.2%, respectively. Excluding the one-off cost in the Shanghai manufacturing facility, impairment of goodwill and loans, the Group would have posted a profit before tax of US\$3.7 million and US\$1.1 million for FY2019 and Q4 FY2019, representing a margin of 2.8% and 3.5%, respectively.

With the recognition of a US\$1.0 million deferred tax asset gain in the US manufacturing facility, the Group posted a net loss of US\$12.3 million in FY2019, compared to a net profit of US\$1.5 million the prior year, representing a negative margin of 9.1% and a margin of 1.3%, respectively. For Q4 FY2019, the Group recorded a net loss of US\$14.1 million compared to a net profit of US\$0.9 million in the prior year quarter, representing a negative margin of 46.9% and a margin of 2.5%, respectively. Excluding the one-off costs, the Group would have posted a net profit before tax of US\$4.0 million and US\$1.9 million for FY2019 and Q4 FY2019, representing a margin of 3.0% and 6.4%, respectively

Review of Financial Position

Non-current assets increased by US\$0.7 million to US\$28.0 million as at 31 December 2019, primarily due to the adoption of SFRS(I) 16 on leases, the acquisition of Apexsat Pte Ltd ("Apexsat") and the recognition of deferred tax assets, offset against the impairment of equipment, goodwill and loans.

Net current assets decreased by US\$0.7 million to US\$22.5 million as at 31 December 2019 compared to US\$29.8 million as at 31 December 2018. Inventories, trade and other receivables and trade payables decreased by US\$5.8 million, US\$5.0 million and US\$6.5 million respectively, with better procurement control, faster collection and continuing payment to suppliers, together with inventory impairment from the relocation of the Shanghai manufacturing facility, offset by an increase in other payables of US\$5.3 million including the compensation costs in Shanghai. Repayment of loans reduced the borrowings by US\$3.0 million to US\$8.9 million and cash and cash equivalents increased by US\$0.5 million to US\$8.9 million as at 31 December 2019 compared to US\$8.4 million as at 31 December 2018. Provision for income tax decreased by US\$0.3 million and the adoption of SFRS(I) 16 on leases increased the current portion of lease liabilities by US\$1.9 million.

Similarly, the non-current portion of the lease liabilities increased to US\$5.9 million.

The Group's net asset value stood at US\$44.1 million as at 31 December 2019, compared to US\$56.6 million as at 31 December 2018.

Review of Cash Flows

In Q4 FY2019, net cash generated from operating activities amounted to US\$4.0 million, comprising US\$0.4 million cash outflow used in operating activities (before working capital changes), US\$5.3 million net working capital inflow and US\$0.9 million payment of interest and income tax.

In FY2019, net cash generated from operating activities amounted to US\$10.9 million, comprising US\$7.2 million cash inflow from operating activities (before working capital changes), US\$5.5 million net working capital inflow and US\$1.8 million payment of interest and income tax.

Net cash used in investing activities in Q4 FY2019 and FY2019 amounted to US\$0.4 million and US\$4.0 million, respectively, relating predominately to purchase of machinery and equipment, payment for Apexsat and the investment in convertible notes.

Net cash used in financing activities in Q4 FY2019 and FY2019 amounted to US\$5.4 million and US\$6.1 million, respectively, attributable to the net proceeds of borrowings and repayment of lease liabilities.

The Group recorded a net decrease in cash and cash equivalents amounting to US\$1.8 million and a net increase of US\$0.8 million in Q4 FY2019 and FY2019, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$8.9 million as at 31 December 2019.

Overall net cash in the Group, combining cash and cash equivalents against borrowings, improved by US\$3.6 million in FY2019.

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 has seen the Direct to Home (“DTH”) sector continue to provide a solid foundation to support the future growth of the Group. It is also expanding its range of Data Over Satellite (“DOS”) products to capitalise on the huge growth opportunity in this market through accelerated product development and R&D efforts.

The global satellite communications equipment market generated revenues of US\$22 billion in 2018 and is expected to grow to over US\$53 billion in 2027 according to a recent report by Research and Markets¹ with the VSAT/DOS market accounting for US\$12.3 billion of this total in 2022. Furthermore, there has been a recent drive to launch satellites into Low Earth Orbit (“LEO”) and Medium Earth Orbit (“MEO”), with satellite launches and related initiatives by SpaceX (led by Elon Musk) and Blue Origin (led by Jeff Bezos). In anticipation of this trend, the Group acquired the assets and intellectual property of Apexsat in June 2019, giving it the capability to manufacture products for the satellite communications constellation market with tracking DOS systems.

The Group seeks to capitalise on the growing opportunity within these markets, particularly within the DOS vertical. A recent report by Ericsson, predicts that by 2025, 5G networks will carry 45% of total mobile data traffic, with smartphones generating more than 95% of the mobile data traffic.² With data backhaul via satellite technology being a key component to carry this additional data on the 5G networks, the Group is well placed to supply this market including through one of its main DOS electronics customers who services 35% of this market currently³.

Global Invacom has established itself as an innovative partner to deliver reliable and cutting-edge products to market including supply to the largest US provider of residential satellite-based internet connections who services a 60% share of that market⁴. Global Invacom has also bolstered its capabilities through acquisitions over the past few years and is now capable of delivering integrated hardware and electronics solutions to its blue-chip DOS and DTH customers. In line with the above trend, the Group reported an increase in contribution for DOS products by 19% from FY2018 to FY2019.

As of end-January 2020, the Group has completed 80% of the move from the Group’s Shanghai site to the Philippines and expects to complete the remaining 20% of the process by June 2020.

Apart from the economic uncertainty as a result of the ongoing trade tensions between the United States (“US”) and China, the Group is also mindful of the COVID-19 outbreak which has disrupted many businesses operating in China. An area of concern revolves around the supply chain of components manufactured out of China. The Group has established a core team of approximately 30 supply chain specialists located in Shanghai to source such products. This team is closely monitoring the situation to ensure stable supplies to the Philippines and US although we believe it is too soon to comment on its full impact for the business.

¹ <https://www.businesswire.com/news/home/20191007005332/en/Global-SATCOM-Equipment-Market-Outlook-Report-2018>

² https://www.ericsson.com/en/mobility-report/reports/november-2019/mobile-data-traffic-outlook?fbclid=IwAR3uzTAuS_f_qCw8pYwKy79UaAZpaUWHFWWr-qjk4a5XeIMlcF1t5XoyyI

³ <https://www.satellite-evolution.com/single-post/2019/04/29/Gilat-is-world-leader-in-shipments-of-cellular-backhaul-over-satellite-according-to-NSR>

⁴ <https://arstechnica.com/gadgets/2017/08/hughes-signs-deal-to-launch-100mbps-satellite-internet-service-in-2021/>

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/recommendeded, a statement to that effect and the reason(s) for the decision.

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the year ended 31 December 2019.

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.

FY2019	Sat Comms US\$'000	CM US\$'000	Group US\$'000
Revenue	129,262	5,247	134,509
Operating loss	(9,359)	(2,268)	(11,627)
Finance income			230
Finance costs			(1,146)
Income tax credit			254
Loss for the year			(12,289)
Amortisation of intangible assets	920	-	920
Depreciation of property, plant and equipment	3,144	139	3,283
Addition to property, plant and equipment	3,154	161	3,315
Impairment of property, plant and equipment	1,777	408	2,185
Depreciation of right-of-use assets	2,282	122	2,404
Addition to intangible assets	279	-	279
Allowance for inventory obsolescence, net	2,367	449	2,816
Write-off of inventory	1,016	240	1,256
Impairment of loans	2,181	-	2,181
Impairment of receivables	308	49	357
Impairment of goodwill	3,260	-	3,260
Restructuring costs	3,415	773	4,188
Assets and liabilities			
Segment assets	79,817	2,677	82,494
<u>Unallocated assets</u>			
- Non-current assets			312
- Other receivables			91
- Deferred tax assets			975
- Cash and cash equivalents			610
- Tax receivables			38
Total assets			84,520

FY2019	Sat Comms US\$'000	CM US\$'000	Group US\$'000
Segment liabilities	28,794	1,862	30,656
<u>Unallocated liabilities</u>			
- Other payables			287
- Lease liabilities			151
- Provision for income tax			4
- Deferred tax liabilities			428
- Borrowings			8,929
Total liabilities			40,455
FY2018			
Revenue	114,110	8,182	122,292
Operating profit/(loss)	2,682	(174)	2,508
Finance income			96
Finance costs			(523)
Income tax expense			(545)
Profit for the year			1,536
Amortisation of intangible assets	673	-	673
Depreciation of property, plant and equipment	2,729	161	2,890
Addition to property, plant and equipment	1,468	65	1,533
Impairment of intangible assets	93	-	93
Gain on bargain purchase	482	-	482
Write-back for inventory obsolescence, net	(412)	-	(412)
Assets and liabilities			
Segment assets	85,054	6,507	91,561
<u>Unallocated assets</u>			
- Non-current assets			1,597
- Other receivables			230
- Deferred tax assets			109
- Cash and cash equivalents			580
- Tax receivables			15
Total assets			94,092
Segment liabilities	21,229	3,300	24,529
<u>Unallocated liabilities</u>			
- Other payables			282
- Provision for income tax			295
- Deferred tax liabilities			406
- Borrowings			11,974
Total liabilities			37,486

13(b) Geographical Information

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

FY2019	America US\$'000	Europe US\$'000	Asia US\$'000	Rest of the World US\$'000	Group US\$'000
Revenue	93,657	31,191	4,129	5,532	134,509
Non-current assets	9,271	15,259	2,356	151	27,037

FY2018	America US\$'000	Europe US\$'000	Asia US\$'000	Rest of the World US\$'000	Group US\$'000
Revenue	85,831	27,006	5,210	4,245	122,292
Non-current assets	4,689	16,562	4,307	111	25,669

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.

		FY2019 US\$'000	FY2018 US\$'000	% increase/ (decrease)
(a)	Sales reported for first half year	71,945	55,396	29.9
(b)	Operating profit after income tax before deducting minority interests reported for first half year	1,586	532	198.1
(c)	Sales reported for second half year	62,564	66,896	(6.5)
(d)	Operating profit after income tax before deducting minority interests reported for second half year	(13,875)	1,004	N.M.

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

	FY2019 US\$'000	FY2018 US\$'000
Ordinary	-	-
Preference	-	-
Total Annual Dividend	-	-

- 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 for the year ended 31 December 2019.

- 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(13) 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.

BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

28 February 2020

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