



GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)
(Company Registration Number 200202428H)
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FINANCIAL STATEMENT ANNOUNCEMENT FOR 2H AND YEAR ENDED 31 DECEMBER 2020

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 2H and the year ended 31 December 2020. These figures have not been audited.

	Group			Group		
	2H FY2020 US\$'000	2H FY2019 US\$'000	Increase/ (Decrease) %	FY2020 US\$'000	FY2019 US\$'000	Increase/ (Decrease) %
Revenue	50,285	62,564	(19.6)	103,058	134,509	(23.4)
Cost of sales	(36,930)	(53,577)	(31.1)	(77,353)	(110,443)	(30.0)
Gross profit	13,355	8,987	48.6	25,705	24,066	6.8
Other income	2,099	275	663.3	2,224	244	811.5
Distribution costs	(67)	(120)	(44.2)	(182)	(292)	(37.7)
Administrative expenses	(11,959)	(15,232)	(21.5)	(22,989)	(27,429)	(16.2)
Impairment loss on other receivables	-	(2,538)	(100.0)	-	(2,538)	(100.0)
Other operating expenses	(516)	(5,445)	(90.5)	(894)	(5,678)	(84.3)
Finance income	1	132	(99.2)	22	230	(90.4)
Finance costs	(333)	(736)	(54.8)	(762)	(1,146)	(33.5)
Profit/(Loss) before income tax⁽ⁱ⁾	2,580	(14,677)	N.M.	3,124	(12,543)	N.M.
Income tax (expense)/credit	(313)	802	N.M.	(515)	254	N.M.
Profit/(Loss) for the period	2,267	(13,875)	N.M.	2,609	(12,289)	N.M.

Other comprehensive income/(loss):

Items that may be reclassified subsequently to profit or loss

- Exchange differences on translation of foreign subsidiaries

358	170	110.6	253	72	251.4
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Other comprehensive income for the period, net of tax

358	170	110.6	253	72	251.4
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Total comprehensive income/(loss) for the period

2,625	(13,705)	N.M.	2,862	(12,217)	N.M.
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Profit/(Loss) for the period attributable to:

Equity holders of the Company

2,269	(13,864)	N.M.	2,614	(12,278)	N.M.
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Non-controlling interests

(2)	(11)	(81.8)	(5)	(11)	(54.5)
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2,267	(13,875)	N.M.	2,609	(12,289)	N.M.
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Total comprehensive income/(loss) for the period attributable to:

Equity holders of the Company

2,627	(13,694)	N.M.	2,867	(12,206)	N.M.
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Non-controlling interests

(2)	(11)	(81.8)	(5)	(11)	(54.5)
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2,625	(13,705)	N.M.	2,862	(12,217)	N.M.
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N.M.: Not Meaningful

Note:

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

	Group			Group		
	2H FY2020 US\$'000	2H FY2019 US\$'000	Increase/ (Decrease) %	FY2020 US\$'000	FY2019 US\$'000	Increase/ (Decrease) %
Interest income	1	132	(99.2)	22	230	(90.4)
Interest expense	(333)	(736)	(54.8)	(762)	(1,146)	(33.5)
Write-back of payables	-	74	(100.0)	-	74	(100.0)
Waiver of loan	1,472	-	N.M.	1,472	-	N.M.
Amortisation of intangible assets	(343)	(460)	(25.4)	(789)	(920)	(14.2)
Depreciation of property, plant and equipment	(1,261)	(1,710)	(26.3)	(2,649)	(3,283)	(19.3)
Depreciation of right-of-use assets	(1,188)	(1,252)	(5.1)	(2,264)	(2,404)	(5.8)
Gain on disposal of property, plant and equipment	424	33	N.M.	424	20	N.M.
Impairment loss on property, plant and equipment	-	(2,185)	(100.0)	-	(2,185)	(100.0)
Impairment loss on trade receivables	(35)	-	N.M.	(309)	-	N.M.
Impairment loss on other receivables	-	(2,538)	(100.0)	-	(2,538)	(100.0)
Impairment loss on goodwill	-	(3,260)	(100.0)	-	(3,260)	(100.0)
Bad debts written off	-	-	-	-	(16)	(100.0)
Inventory written off	(2,663)	(1,256)	112.0	(2,663)	(1,256)	112.0
Restructuring costs	(510)	(4,113)	(87.6)	(510)	(4,188)	(87.8)
Reinstatement costs	(299)	-	N.M.	(299)	-	N.M.
Operating lease expense	(15)	(10)	50.0	(15)	(10)	50.0
Write-back/(Allowance) for inventory obsolescence, net	3,229	(3,080)	N.M.	3,210	(2,816)	N.M.
(Loss)/Gain on foreign exchange	(182)	166	N.M.	(284)	(214)	32.7
Research and development expense	(708)	(610)	16.1	(1,589)	(1,671)	(4.9)

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 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	9,410	10,254	82	168
Right-of-use assets	6,340	7,533	162	144
Investments in subsidiaries	-	-	27,102	27,586
Goodwill	6,092	6,092	-	-
Intangible assets	2,291	3,104	-	-
Other financial assets	8	8	-	-
Deferred tax assets	1,363	975	-	-
Other receivables and prepayments	54	54	10,563	10,100
	25,558	28,020	37,909	37,998
Current Assets				
Due from subsidiaries	-	-	4,045	4,105
Inventories	26,816	25,795	-	-
Trade receivables	10,689	19,846	-	-
Other receivables and prepayments	2,033	1,909	3,513	3,407
Tax receivables	-	38	-	-
Cash and cash equivalents	11,273	8,912	150	610
	50,811	56,500	7,708	8,122
Total assets	76,369	84,520	45,617	46,120
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	(11,824)	(14,691)	(28,302)	(26,853)
Equity attributable to owners of the Company	46,943	44,076	44,282	45,731
Non-controlling interests	(16)	(11)	-	-
Total equity	46,927	44,065	44,282	45,731
Non-current Liabilities				
Other payables	124	108	-	-
Lease liabilities	4,848	5,948	39	35
Deferred tax liabilities	634	428	-	-
	5,606	6,484	39	35
Current Liabilities				
Due to subsidiaries	-	-	835	-
Trade payables	12,509	12,903	-	-
Other payables	5,589	10,238	333	238
Borrowings	3,883	8,929	-	-
Lease liabilities	1,854	1,897	128	116
Provision for income tax	1	4	-	-
	23,836	33,971	1,296	354
Total liabilities	29,442	40,455	1,335	389
Total equity and liabilities	76,369	84,520	45,617	46,120

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 2020		As at 31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,883	-	8,929	-

Amount repayable after one year

As at 31 Dec 2020		As at 31 Dec 2019	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Details of any collateral

The revolving credit loans of US\$3,883,000 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	
	2H FY2020 US\$'000	2H FY2019 US\$'000	FY2020 US\$'000	FY2019 US\$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	2,580	(14,677)	3,124	(12,543)
Adjustments for:				
Depreciation of property, plant and equipment	1,261	1,710	2,649	3,283
Amortisation of intangible assets	343	460	789	920
Depreciation of right-of-use assets	1,188	1,252	2,264	2,404
Gain on disposal of property, plant and equipment	(424)	(33)	(424)	(20)
Impairment loss on property, plant and equipment	-	2,185	-	2,185
Impairment loss on goodwill	-	3,260	-	3,260
(Write-back)/Allowance for inventory obsolescence, net	(3,229)	3,080	(3,210)	2,816
Impairment loss on trade receivables	35	-	309	-
Impairment loss on other receivables	-	2,538	-	2,538
Unrealised exchange loss	368	308	315	213
Interest income	(1)	(132)	(22)	(230)
Interest expense	333	736	762	1,146
Share-based payments	-	-	-	2
Gain on disposal of subsidiary	-	(4)	-	(4)
Inventory written off	2,663	1,256	2,663	1,256
Bad debts written off	-	-	-	16
Write-back of payables	-	-	-	(74)
Waiver of loan	(1,472)	-	(1,472)	-
Operating cash flow before working capital changes	3,645	1,939	7,747	7,168
Changes in working capital:				
Inventories	782	1,932	(474)	1,758
Trade receivables	9,170	2,270	8,846	5,016
Other receivables and prepayments	(70)	(988)	(465)	(1,130)
Trade and other payables	(2,432)	5,184	(5,188)	(119)
Cash generated from operating activities	11,095	10,337	10,466	12,693
Interest paid	(338)	(737)	(398)	(972)
Income tax paid	(480)	(661)	(480)	(859)
Net cash generated from operating activities	10,277	8,939	9,588	10,862
Cash Flows from Investing Activities				
Interest received	1	29	22	59
Purchase of property, plant and equipment	(1,010)	(1,473)	(1,976)	(3,315)
Proceeds from disposal of property, plant and equipment	479	78	479	79
Acquisition of a business	-	-	-	(279)
Payment for financial asset, at fair value through profit or loss	-	-	-	(500)
Net cash used in investing activities	(530)	(1,366)	(1,475)	(3,956)

	Group		Group	
	2H FY2020 US\$'000	2H FY2019 US\$'000	FY2020 US\$'000	FY2019 US\$'000
Cash Flows from Financing Activities				
Proceeds from borrowings	21,578	18,439	44,816	54,933
Repayment of borrowings	(26,484)	(23,235)	(48,390)	(58,053)
Principal repayment of lease liabilities	(1,108)	(1,561)	(2,217)	(3,020)
Acquisition of non-controlling interests	-	(11)	-	(11)
Net cash used in financing activities	(6,014)	(6,368)	(5,791)	(6,151)
Net increase in cash and cash equivalents	3,733	1,205	2,322	755
Cash and cash equivalents at the beginning of the period	7,478	7,891	8,912	8,381
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	62	(184)	39	(224)
Cash and cash equivalents at the end of the period⁽ⁱ⁾	11,273	8,912	11,273	8,912

Note:

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

	2H FY2020 US\$'000	2H FY2019 US\$'000	FY2020 US\$'000	FY2019 US\$'000
Cash and bank balances	11,242	8,882	11,242	8,882
Fixed deposits	31	30	31	30
Cash and cash equivalents per the consolidated statement of cash flows	11,273	8,912	11,273	8,912

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 January 2020	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,217)	1,054	44,076	(11)	44,065
Profit/(Loss) for the period	-	-	-	-	-	-	-	345	345	(3)	342
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(105)	-	(105)	-	(105)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(105)	345	240	(3)	237
Balance as at 30 June 2020	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,322)	1,399	44,316	(14)	44,302
Profit/(Loss) for the period	-	-	-	-	-	-	-	2,269	2,269	(2)	2,267
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	358	-	358	-	358
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	358	2,269	2,627	(2)	2,625
Balance as at 31 December 2020	60,423	(1,656)	(10,150)	6	725	(5,109)	(964)	3,668	46,943	(16)	46,927

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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 January 2019	60,423	(1,656)	(10,150)	6	723	(3,560)	(1,289)	12,109	56,606	-	56,606
Adoption of SFRS(I) 16	-	-	-	-	-	-	-	(239)	(239)	-	(239)
Adjusted balance as at 1 January 2019	60,423	(1,656)	(10,150)	6	723	(3,560)	(1,289)	11,870	56,367	-	56,367
Share-based payments	-	-	-	-	2	-	-	-	2	-	2
Profit for the period	-	-	-	-	-	-	-	1,586	1,586	-	1,586
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(100)	-	(100)	-	(100)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(100)	1,586	1,486	-	1,486
Balance as at 30 June 2019	60,423	(1,656)	(10,150)	6	725	(3,560)	(1,389)	13,456	57,855	-	57,855
Adoption of SFRS(I) 16	-	-	-	-	-	-	-	(87)	(87)	-	(87)
Adjusted balance as at 30 June 2019	60,423	(1,656)	(10,150)	6	725	(3,560)	(1,389)	13,369	57,768	-	57,768
Transfer from capital reserve in accordance with statutory requirements	-	-	-	-	-	(1,549)	-	1,549	-	-	-
Loss for the period	-	-	-	-	-	-	-	(13,864)	(13,864)	(11)	(13,875)
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	172	-	172	-	172
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	172	(13,864)	(13,692)	(11)	(13,703)
Balance as at 31 December 2019	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,217)	1,054	44,076	(11)	44,065

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 January 2020	74,240	(1,656)	725	(4,481)	(2,506)	(20,591)	45,731
Loss for the period	-	-	-	-	-	(391)	(391)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(391)	(391)
Balance as at 30 June 2020	74,240	(1,656)	725	(4,481)	(2,506)	(20,982)	45,340
Loss for the period	-	-	-	-	-	(1,058)	(1,058)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(1,058)	(1,058)
Balance as at 31 December 2020	74,240	(1,656)	725	(4,481)	(2,506)	(22,040)	44,282
Balance as at 1 January 2019	74,240	(1,656)	723	(4,481)	(1,927)	(8,303)	58,596
Adoption of SFRS(I) 16	-	-	-	-	-	(5)	(5)
Adjusted balance as at 1 January 2019	74,240	(1,656)	723	(4,481)	(1,927)	(8,308)	58,591
Share-based payments	-	-	2	-	-	-	2
Profit for the period	-	-	-	-	-	1,812	1,812
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	1,812	1,812
Balance as at 30 June 2019	74,240	(1,656)	725	(4,481)	(1,927)	(6,496)	60,405
Loss for the period	-	-	-	-	-	(14,095)	(14,095)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	(579)	-	(579)
Total other comprehensive loss for the period	-	-	-	-	(579)	(14,095)	(14,674)
Balance as at 31 December 2019	74,240	(1,656)	725	(4,481)	(2,506)	(20,591)	45,731

- 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.

FY2020	No. of shares	US\$'000
Balance as at 1 Jan 2020 and 31 Dec 2020	271,662,227	72,584
FY2019	No. of shares	US\$'000
Balance as at 1 Jan 2019 and 31 Dec 2019	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 31 December 2020 and 31 December 2019 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 2020	31 Dec 2019
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.

FY2020	No. of shares	US\$'000
Balance as at 1 Jan 2020 and 31 Dec 2020	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.

FY2020	No. of shares	US\$'000
Balance as at 1 Jan 2020 and 31 Dec 2020	-	-

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.

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 2019.

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 2020. The adoption of the new and revised SFRS(I)s and IFRSs has no material financial impact on the Group's financial statements.

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	
	2H FY2020 US\$	2H FY2019 US\$	FY2020 US\$	FY2019 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.84 cent	(5.10) cents	0.96 cent	(4.52) cents
(b) On a fully diluted basis	0.84 cent*	(5.10) cents*	0.96 cent*	(4.52) cents*
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 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 2020 US\$	31 Dec 2019 US\$	31 Dec 2020 US\$	31 Dec 2019 US\$
Net asset value per ordinary share based on issued share capital	17.28 cents	16.22 cents	16.30 cents	16.83 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 2020 ("FY2020") decreased by US\$31.5 million to US\$103.1 million from US\$134.5 million in the prior year ("FY2019"). Revenue for the second half year ended 31 December 2020 ("2H FY2020") was US\$50.3 million against US\$62.6 million in the prior year ("2H FY2019"). Given the Group's global footprint, the on-going COVID-19 pandemic and its impact on different countries, has impacted the ability of the Group's end customers to rollout the communications services and networks that were originally planned for 2020. This, together with component shortages, disrupted design resources and the lack of consistent availability of logistics has resulted in reduced shipments to our customers. The efficiency of our production facilities was also negatively impacted as they adapted to social distancing and other international COVID-19 best practices.

Geographically, Group revenue for FY2020 decreased in America and Europe by US\$24.4 million (-26.1%) and US\$7.3 million (-23.4%), respectively, and increased in Rest of the World ("RoW") by US\$0.2 million (+3.7%). Revenue for Asia remained constant in the comparative period. Revenue for 2H FY2020 decreased in America, Europe and Asia by US\$8.1 million (-19.5%), US\$4.3 million (-26.8%) and US\$0.8 million (-26.2%), respectively, offset by an increase in RoW by US\$0.9 million (+43.8%) compared to the prior year.

Gross Profit

Gross profit increased by US\$1.6 million from US\$24.1 million in FY2019 to US\$25.7 million in FY2020; gross profit margin increased from 17.9% to 24.9%. In FY2019, the Group recognised impairment costs in the Shanghai manufacturing facility following the relocation of its operations to third-party contract manufacturers. Excluding these, gross profit in FY2019 would have been US\$28.2 million, with a gross profit margin of 20.9%, which would result in a gross profit margin increase of 4.0% in FY2020, primarily due to a more profitable product mix, manufacturing efficiencies and cost reduction programs.

Similarly, gross profit margin for 2H FY2020 increased from 14.4% to 26.6%, with gross profit at US\$13.4 million against US\$9.0 million for 2H FY2019. Excluding the impairment costs, gross profit in 2H FY2019 would have been US\$13.1 million, with a gross profit margin of 20.9%, an increase of 5.7 percentage points in FY2020.

Other Income

Other income in 2H FY2020 and FY2020 relates primarily to a loan waiver from the US government of US\$1.5 million, gain on disposal of equipment of US\$0.4 million and subsidy support received from various government bodies across the Group due to COVID-19 pandemic.

Administrative Expenses

Administrative expenses for FY2020 decreased 16.2% to US\$23.0 million compared to US\$27.4 million in FY2019, representing 22.3% and 20.4% of revenue, respectively. In FY2019, the Group included compensation to be made to the employees in the Shanghai manufacturing facility and costs related to restructuring process in the UK entities. The restructuring process continued in 2020 in the UK entities. After excluding the compensation and restructuring costs in both FY2020 and FY2019, administrative expenses were US\$22.5 million and US\$23.2 million, representing 21.8% and 17.3% of revenue, respectively. Reduction in travelling, marketing and trade shows during this period has also contributed to lower administrative expenses.

Administrative expenses for 2H FY2020 decreased 21.5% to US\$12.0 million compared to US\$15.2 million in the previous year, representing 23.8% and 24.3% of revenue respectively. After excluding the compensation and restructuring costs in both 2H FY2020 and 2H FY2019, administrative expenses were US\$11.4 million and US\$11.0 million, representing 22.8% and 17.8%, respectively.

Other Operating Expenses and Impairments

Other operating expenses in FY2020 relates primarily to the impairment loss on trade receivables of US\$0.3 million, reinstatement cost of the Shanghai manufacturing facility of US\$0.3 million as well as the loss on foreign exchange of US\$0.3 million. Other operating expenses in FY2019 relates primarily to the impairment loss on goodwill of US\$3.3 million, other receivables of US\$2.5 million, equipment of US\$2.2 million and loss on foreign exchange of US\$0.2 million.

Profit Before Tax & Net Profit

The Group posted a profit before tax of US\$3.1 million in FY2020, compared to a loss before tax of US\$12.5 million the prior year, representing a margin of 3.0% and a negative margin of 9.3%, respectively. For 2H FY2020, the Group recorded US\$2.6 million profit before tax compared to a loss before tax of US\$14.7 million in the prior year, representing a margin of 5.1% and a negative margin of 23.5%, respectively. After excluding the one-off cost as described above, the Group's approximated profit before tax of US\$3.7 million and US\$1.5 million for FY2019 and 2H FY2019, representing a margin of 2.8% and 2.4%, respectively.

The Group posted a net profit of US\$2.6 million in FY2020, compared to a net loss of US\$12.3 million the prior year, representing a margin of 2.5% and a negative margin of 9.1%, respectively. For 2H FY2020, the Group recorded a net profit of US\$2.3 million compared to a net loss of US\$13.9 million in the prior year, representing a margin of 4.5% and a negative margin of 22.2%, respectively. Excluding the one-off costs as described above, the Group would have posted a net profit of US\$4.0 million and US\$2.3 million for FY2019 and 2H FY2019, representing a margin of 3.0% and 3.7%, respectively.

Review of Financial Position

Non-current assets decreased by US\$2.5 million to US\$25.6 million as at 31 December 2020, primarily due to the depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets offset by the increase in deferred tax assets.

Net current assets increased by US\$4.4 million to US\$27.0 million as at 31 December 2020 compared to US\$22.5 million as at 31 December 2019. Inventories increased by US\$1.0 million offset by decrease in trade and other receivables and trade and other payables by US\$9.0 million and US\$5.0 million respectively, with faster collection and continuing payment to suppliers and compensation made in the Shanghai facility. Repayment of loans reduced the borrowings by US\$5.0 million to US\$3.9 million and cash and cash equivalents increased by US\$2.4 million to US\$11.3 million as at 31 December 2020 compared to US\$8.9 million as at 31 December 2019.

Continuing repayment of the leases reduced the non-current portion of the lease liabilities by US\$1.1 million to US\$4.8 million.

The Group's net asset value stood at US\$46.9 million as at 31 December 2020, compared to US\$44.1 million as at 31 December 2019.

Review of Cash Flows

In 2H FY2020, net cash generated from operating activities was US\$10.3 million, comprising US\$3.6 million cash inflow from operating activities (before working capital changes), US\$7.5 million net working capital inflow and US\$0.8 million payment of interest and income tax.

In FY2020, net cash generated from operating activities was US\$9.6 million, comprising US\$7.7 million cash inflow from operating activities (before working capital changes), US\$2.7 million net working capital inflow and US\$0.8 million payment of interest and income tax.

Net cash used in investing activities in 2H FY2020 and FY2020 amounted to US\$0.5 million and US\$1.5 million, respectively, relating predominately to purchase of machinery and equipment, offset against proceeds from disposal of property, plant and equipment.

Net cash used in financing activities in 2H FY2020 and FY2020 was US\$6.0 million and US\$5.8 million, respectively, attributable to the net proceeds of borrowings and repayment of lease liabilities.

The Group recorded a net increase in cash and cash equivalents amounting to US\$3.7 million and US\$2.3 million in 2H FY2020 and FY2020, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$11.3 million as at 31 December 2020.

Overall net cash in the Group, combining cash and cash equivalents against borrowings, improved by US\$7.4 million in FY2020.

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 global COVID-19 pandemic has provided the economic backdrop for 2020 and the Group's performance has been impacted by the associated market and worldwide disruption and uncertainty. The health and safety of our staff, partners, suppliers and customers has been our priority throughout 2020 and into 2021. Global Invacom has always been a people-driven business, with teams across the Group being essential to our ongoing success.

The impact of the COVID-19-related restrictions, including lockdowns in all countries in which we operate and the much-publicised disruption to global supply chains and international travel was, in part, mitigated by our diversified manufacturing footprint and by our classification as an essential supplier, with the Group seeing continued demand for its equipment from the key communications and healthcare sectors. The Group was also able to safely and effectively transition some of its office and R&D staff to remote working. The Group continues to monitor the pandemic closely and, where it is safe and prudent to do so, is returning staff to work following government guidelines.

The Group's customer base was also negatively affected by the pandemic and order volume fell throughout 2020. However, Global Invacom remained profitable in three out of four quarters of the year and was profitable for the year as a whole. This was aided by a number of strategic cost-saving initiatives implemented by management last year. Most notably, our Shanghai site ceased manufacturing in July 2020, as the Group transitioned to third-party subcontractors, based in the Philippines. In Europe and the United States ("US"), the Group restructured development, sales and marketing teams to focus on emerging Data over Satellite ("DOS") products. We expect this transition to deliver meaningful annualised savings in 2021, while also reducing the Group's exposure to increased production costs and trade disputes between the US and China.

The Group continues to see increased demand for DOS technology and services, as consumer appetite for constant connectivity grows. With ever-growing data consumption across all geographies, underpinned by increased levels of remote working, service providers will continue to adopt satellite solutions to meet the significant growth in demand.

The Group remains well-positioned to benefit from the recovery of the global economy and the continued growth of its target, DOS market. As worldwide COVID-19 vaccination programmes have their desired effect and demand begins to normalise, Global Invacom's products will continue to play a significant role in meeting the continued growth in demand for data and connectivity.

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 2020.

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.

FY2020	Sat Comms US\$'000	CM US\$'000	Group US\$'000
Revenue	101,458	1,600	103,058
Operating profit/(loss)	3,885	(21)	3,864
Finance income			22
Finance costs			(762)
Income tax expense			(515)
Profit for the year			2,609
Amortisation of intangible assets	789	-	789
Depreciation of property, plant and equipment	2,648	1	2,649
Depreciation of right-of-use assets	2,122	142	2,264
Addition to property, plant and equipment	2,211	-	2,211
Impairment loss on trade receivables	296	13	309
Restructuring costs	510	-	510
Reinstatement costs	219	80	299
Inventories written off	1,947	716	2,663
Write-back for inventory obsolescence, net	(2,484)	(726)	(3,210)
Waiver of loan	(1,472)	-	(1,472)
Assets and liabilities			
Segment assets	73,953	561	74,514
<u>Unallocated assets</u>			
- Non-current assets			82
- Other receivables			98
- Deferred tax assets			1,363
- Cash and cash equivalents			150
- Right-of-use assets			162
Total assets			76,369

FY2020	Sat Comms US\$'000	CM US\$'000	Group US\$'000
Segment liabilities	23,702	688	24,390
<u>Unallocated liabilities</u>			
- Other payables			367
- Provision for income tax			1
- Deferred tax liabilities			634
- Borrowings			3,883
- Lease liabilities			167
Total liabilities			29,442

FY2019			
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
Addition to intangible assets	279	-	279
Depreciation of property, plant and equipment	3,144	139	3,283
Depreciation of right-of-use assets	2,282	122	2,404
Addition to property, plant and equipment	3,154	161	3,315
Impairment loss on property, plant and equipment	1,777	408	2,185
Impairment loss on other receivables	2,489	49	2,538
Impairment loss on goodwill	3,260	-	3,260
Restructuring costs	3,415	773	4,188
Inventories written off	1,016	240	1,256
Allowance for inventory obsolescence, net	2,367	449	2,816
Assets and liabilities			
Segment assets	79,817	2,677	82,494
<u>Unallocated assets</u>			
- Non-current assets			168
- Other receivables			91
- Deferred tax assets			975
- Cash and cash equivalents			610
- Tax receivables			38
- Right-of-use assets			144
Total assets			84,520
Segment liabilities	28,794	1,862	30,656
<u>Unallocated liabilities</u>			
- Other payables			287
- Provision for income tax			4
- Deferred tax liabilities			428
- Borrowings			8,929
- Lease liabilities			151
Total liabilities			40,455

13(b) Geographical Information

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

FY2020	America US\$'000	Europe US\$'000	Asia US\$'000	Rest of the World US\$'000	Group US\$'000
Revenue	69,246	23,884	4,193	5,735	103,058
Non-current assets*	8,857	12,974	2,227	129	24,187

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

* Exclude deferred tax assets and other financial assets.

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.

		FY2020 US\$'000	FY2019 US\$'000	% increase/ (decrease)
(a)	Sales reported for first half year	52,773	71,945	(26.6)
(b)	Operating profit after income tax before deducting minority interests reported for first half year	342	1,586	(78.4)
(c)	Sales reported for second half year	50,285	62,564	(19.6)
(d)	Operating profit after income tax before deducting minority interests reported for second half year	2,267	(13,875)	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.

	FY2020 US\$'000	FY2019 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 2020.

- 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

1 March 2021

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