global invacom
completing the picture

BUILDING CONNECTIONS

ANNUAL REPORT 2021

CONTENTS

CORPORATE PROFILE

Global Invacom Group Limited ("**Global Invacom**" or the "**Group**") has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since 2012 and the London Stock Exchange's AIM market since 2014. A world leader in the development and production of satellite ground equipment, Global Invacom supplies an enviable blue-chip customer base, including some of the world's largest suppliers of Direct to Home ("**DTH**") television services, including Sky Group and Dish Network, as well as Data Over Satellite ("**DOS**") service providers, including Hughes Network Systems, Viasat and Gilat Satellite Networks.

The Group creates and provides a full range of dish antennas, low noise block receivers, transmitters, fibre distribution equipment, switches, and video distribution components within the satellite communications ground equipment market, as well as related products for the healthcare and defence sectors. This diversified approach was crucial in maintaining the Company's operations throughout the COVID-19 pandemic, with the Group being identified as an essential supplier for its supply of equipment to the communications, healthcare, and defence markets.

Global Invacom remains active in both the DTH and DOS markets, with the business' core focus now on the higher-growth and much-publicised DOS market. In 2015, through its acquisition of Skyware Global, the Group rapidly expanded into DOS market, adding a suite of DOS antennas and related products. The subsequent acquisition of Skyware Technologies in September 2018 further bolstered the Group's capabilities, allowing it to add a range of DOS electronics to complement the antenna technology acquired previously, as well as new customers to its already-impressive client base. In 2019, the Group completed the acquisition of Apexsat Pte. Ltd., specialists in the design and manufacture of steerable earth station solutions, and motorised and transportable antenna systems, including systems capable of acquiring and retaining Low Earth Orbit ("**LEO**") and Medium Earth Orbit ("**MEO**") satellites and drone tracking. This has provided the Group with further exposure to this rapidly expanding area of DOS technology.

A key innovator of satellite ground equipment communications technology, Global Invacom maintains research and development sites in multiple countries and continents employing over 58 engineers covering both DTH and DOS requirements. The Group also owns 75 patents, with a further 18 pending and 9 applied for. With an over 37-year track record as an industry pioneer, Global Invacom leverages its significant expertise and industry reputation to develop and commercialise market-leading and innovative satellite equipment.

To provide world-class service to its ever-expanding customer base, the Group maintains global sales and distribution teams in the United States ("**U.S.**"), EMEA (Europe, the Middle East and Africa) and Asia to ensure sales and technical information is available in the same time zones as its customers.

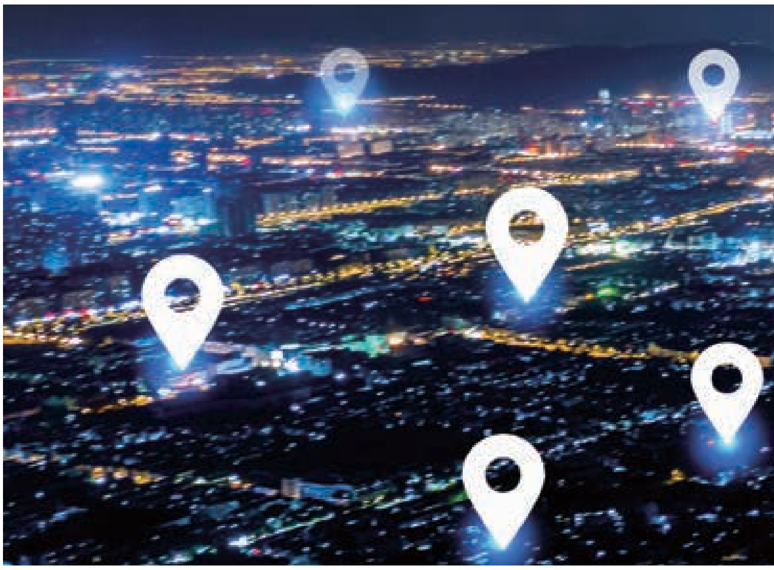
The Group also makes use of manufacturing plants located across different continents. In 2019, Global Invacom began the relocation of its manufacturing operations, moving them from Shanghai to the Philippines to mitigate rising production costs in the People's Republic of China ("**China**"). This transition was completed in the first half of 2020 and delivered meaningful annualised savings in 2021 and while reducing the Group's exposure to trade disputes between the U.S. and China.

To augment its product offering, Global Invacom's highly experienced employees continue to engineer innovative devices, ensuring new products function seamlessly with existing Global Invacom devices to provide customers with an enhanced service whilst generating valuable cross selling opportunities. In 2021, the Group launched new products across its key DOS and Fibre to the Home ("**FTTH**") segments, and, as the satellite communications industry continues to evolve and new technologies emerge, Global Invacom is focused on leveraging its R&D capabilities to future-proof new devices.

Global Invacom is 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.

CHAIRMAN'S STATEMENT

" 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."



DEAR SHAREHOLDERS,

I am pleased to present to you the annual report for Global Invacom Group Limited ("**Global Invacom**" or the "**Company**" and together with its subsidiaries, the "**Group**") for the year ended 31 December 2021 ("**FY2021**").

FY2021 was another challenging year for Global Invacom, and on behalf of the Board and myself, I would like to thank our dedicated team who continue to work tirelessly to help the Group across all key operations.

Despite broader macro-economic headwinds impacting our markets, the Group delivered another profitable performance, underpinning the resilience of our business and ensuring we have the foundations in place to meet the continued demand for high-tech and reliable Data over Satellite ("**DOS**") and Direct to Home ("**DTH**") devices from a wide range of sectors including the defence and healthcare industries.

Whilst management expects that demand for the Company's products will remain robust, I am minded of broader economic headwinds facing our business, including supply shortages within the semiconductor sector, and ongoing inflationary pressure across international shipping, wages (particularly in the United States of America ("**U.S.**")) and raw materials (including steel). These will likely to be a key feature of 2022, impacting the performance of the business in the current financial year.

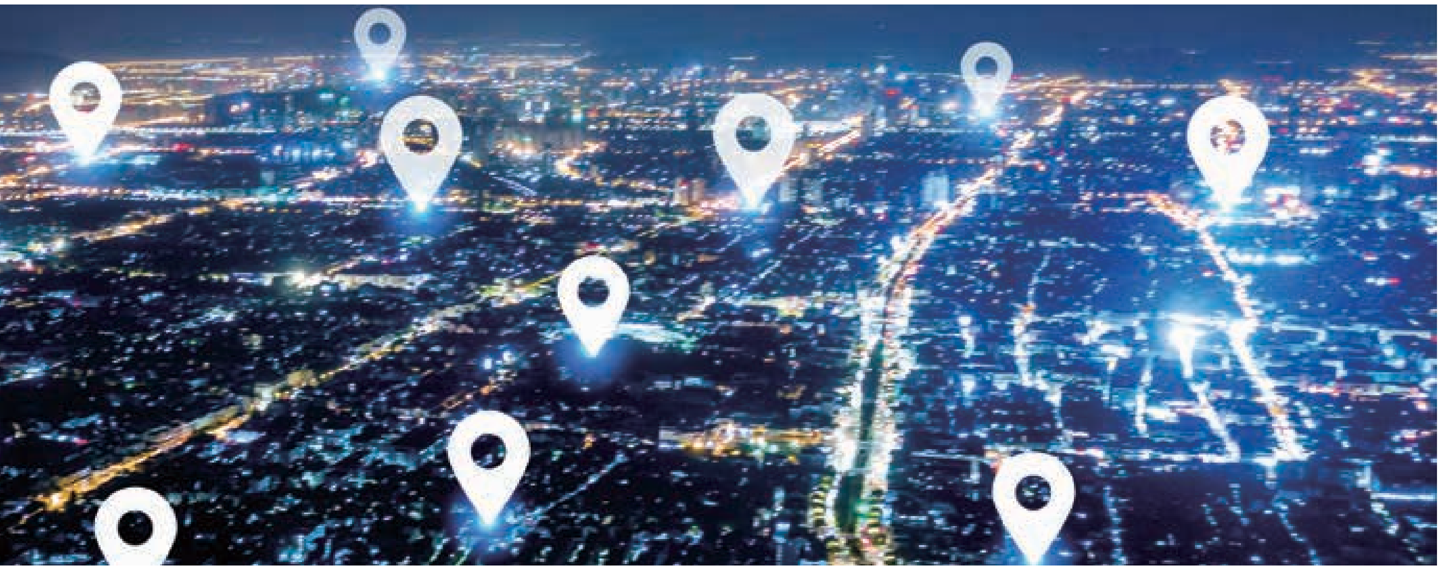
FY2021 FINANCIAL REVIEW

The Group's revenue for FY2021 was US$82.5 million compared with US$103.1 million in the prior year ("**FY2020**"). Revenue for the second half year ended 31 December 2021 ("**2H FY2021**") was US$42.1 million against US$50.3 million in the prior year ("**2H FY2020**"). The ongoing COVID-19 pandemic impacted the Group globally and resulted in a reduction in orders from our customers in the period. It has also impacted the Company's production facilities around the world as working practices were adapted to comply with regional variations on social distancing guidelines during the pandemic.

Geographically, Group revenue for FY2021 decreased in America by US$22.8 million (-32.9%) and increased in Europe, Asia and Rest of the World ("**RoW**") by US$0.5 million (+2.0%), US$0.5 million (+11.9%) and US$1.3 million (+22.5%), respectively. Revenue for 2H FY2021 decreased in America and RoW by US$10.1 million (-30.2%) and US$0.9 million (-32.3%), respectively, compensated by an increase in Europe and Asia by US$1.5 million (+13.0%) and US$1.3 million (+59.8%), respectively, compared to the prior year.

As a result of higher materials costs and the supply chain constraints, the Group generated US$16.6 million of gross profit in FY2021 and a profit margin of 20.1%.

CHAIRMAN'S STATEMENT



Administrative expenses, together with research and development ("**R&D**") expenses, for FY2021 decreased 9.0% to US$20.9 million compared to US$23.0 million in FY2020, representing 22.3% and 25.3% of revenue, respectively. The ongoing cost control measures across the Group, including a reduction in travelling and marketing activity, have resulted in lower administrative expenses being incurred. For 2H FY2021, administrative and R&D expenses decreased 16.1% to US$10.0 million compared to US$12.0 million in the previous year, representing 23.8% of revenue for both periods.

In 2H FY2021, the UK Group received R&D tax credits from the UK government and, coupled with deferred taxes, resulted in the Group recording a net profit of US$1.7 million compared to US$2.3 million in the prior year, representing a margin of 4.1% and 4.5%, respectively. For FY2021, the Group recorded a net profit of US$0.6 million, compared to US$2.6 million the prior year, representing a margin of 0.7% and 2.5%, respectively.

The Group recorded a net increase in cash and cash equivalents amounting to US$1.3 million and net decrease amounting to US$0.5 million in 2H FY2021 and FY2021, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US$10.8 million as at 31 December 2021.

DIVIDEND

No dividend has been declared for FY2021 in light of the continued economic uncertainty relating to the COVID-19 pandemic and the resulting operating conditions faced by the group.

STRATEGIC DIRECTION AND OUTLOOK

Notwithstanding the continued impact of the COVID-19 pandemic on global trade, FY2021 was a positive year for the Group, with key highlights including the completion of strategic product launches and the formation of a long-term partnership with Methera Global Communications Limited ("**Methera**"), a leading satellite communications company.

The combination of ongoing COVID-19 restrictions and the well documented global supply chain issues were key features in forming the broader trading conditions for the Group throughout FY2021. Management believes that, whilst demand for the Company's products will remain robust, economic headwinds, including supply shortages within the semiconductor sector, and ongoing inflationary pressure across international shipping, wages (particularly in the U.S.) and raw materials (including steel), will likely impact the performance of the business in the current financial year.

CHAIRMAN'S STATEMENT

Despite a reduction in customer activity, Global Invacom remained profitable for the year ended 31 December 2021, facilitated by the implementation of pragmatic cost-saving initiatives, including a reduction in marketing activity and various government grants, to mitigate the impact of the COVID-19 pandemic. The Group's prudent transition of R&D employees and office staff to remote working from 2020 have enabled our international network of teams to function efficiently throughout FY2021.

During FY2021, the Group focused on launching a range of innovative devices to augment its product offering across all key categories. New additions to Global Invacom's portfolio include the Optical to Optical ("**O2O**") converter, a Fibre to the Home ("**FTTH**") device designed to increase the number of subscribers that can be connected to a single dish, and Ku-Band and C-Band VSAT Radio Frequency ("**RF**") Block Up Converters, two new DOS products that consolidate the Group's unique position as a leading manufacturer and supplier of VSAT RF electronics, antennas and feeds.

The Group continues to ensure new products function seamlessly with existing Global Invacom devices, providing an upgraded service whilst simultaneously generating valuable cross selling opportunities. As the satellite communications industry continues to evolve and new technologies emerge, the Group is focused on leveraging its R&D capabilities to future-proof new devices. With teams based in hubs across the globe, Global Invacom's employees can rapidly respond to regulatory updates in regional markets to ensure the Group continues to develop cutting-edge competitive products.

A key long-term partnership with Methera and its subcontractors was announced by the Company in October 2021, where, under the Advanced Research in Telecommunications Systems programme, the Group was awarded the European Space Agency funding to contribute towards the development of a low-cost Ka-band user terminal and a larger enterprise solution for use with DOS. The Company aims to deliver terminals to market in 2024 to meet the surge in demand for connectivity to non-geostationary satellite orbit ("**NGSO**") constellations. Significantly, Global Invacom is responsible for designing and manufacturing the fully integrated user terminal which aims to give remote and under-connected communities across the globe access to affordable satellite broadband by offering service providers and operators constellations.

More generally, O3b mPOWER plan to launch their O3b mPOWER communications system during 2022, which comprises of an initial constellation of 11 high-performance satellites, intelligent software and extensive ground infrastructure. Hughes, the global provider of high-speed satellite internet service, also indicated that their much-anticipated GEO satellite Jupiter system is currently scheduled to be launched during Q4 2022.

Globally, the normalisation of remote working across an array of sectors is a development which will benefit the Group in the medium-to-long-term, accelerating the demand for fast and reliable connectivity from businesses and consumers, as strong domestic connectivity has become essential for both work and leisure. The underlying versatility of the Group, a designer, manufacturer, and provider of satellite communications solutions, was integral to securing the partnership with Methera and will continue to provide Global Invacom with opportunities to serve the growing DOS market as well as the sizeable demand for DTH products.

CHANGES TO BOARD COMPOSTION

In July 2021, the Group appointed Gordon Blaikie as an Executive Director to replace Malcolm John Burrell who stepped down from his roles of Executive Director and Chief Technical Officer as part of his retirement plan. Mr Blaikie has worked with Global Invacom for 10 years progressing to become the Group's Chief Operating Officer, a role he remains in alongside his new position as Executive Director of the Company. Mr Blaikie has supervised the manufacturing entities and sales functions of the Group and regularly worked closely with the Board and senior management team to streamline and enhance the Group's operating performance. Mr Burrell remains the Group's Chief Risk Officer and Chief Sustainability Officer, overseeing the risk and sustainability management of the Group.

Concurrently, Derek Arthur Henry Grice was appointed as the Group's new Chief Technical Officer. Mr Grice is leveraging his 35+ years of satellite product development experience and DOS market knowhow to oversee the development of new technologies and products for current and future market opportunities being addressed by the Company, as well as manage stakeholder relationships, effectively communicating technology advances and innovations.

CHAIRMAN'S STATEMENT

SUSTAINABILITY

The Group has produced its fifth Sustainability Report, covering the period from 1 January 2021 to 31 December 2021. As a business, we maintain our focus on promoting sustainable practices and operations and being a good corporate citizen. The Group has reviewed its policies for corporate governance and disclosure, risk management and internal control, code of business conduct, anti-bribery and corruption and customer privacy. The Sustainability Report will also feature an update on the Group's key performance indicators in various areas.

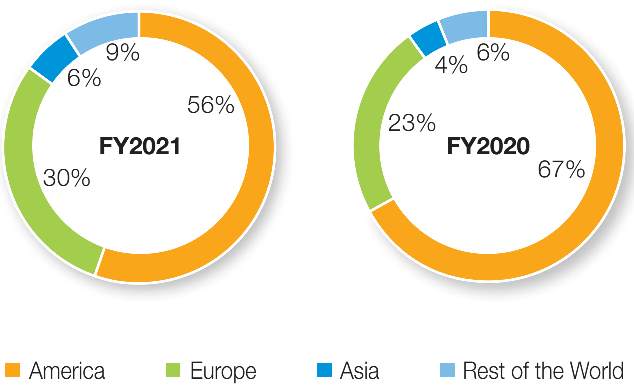
APPRECIATION

Personally, and on behalf of the Board, I would like to express my profound thanks to our staff, business partners, customers and shareholders for their unwavering support during the ongoing COVID-19 pandemic. Faced with significant macro-economic challenges, the commitment of our global workforce who have overcome considerable obstacles to ensure the business remained profitable this year is laudable, and we look forward to a constructive 2022.

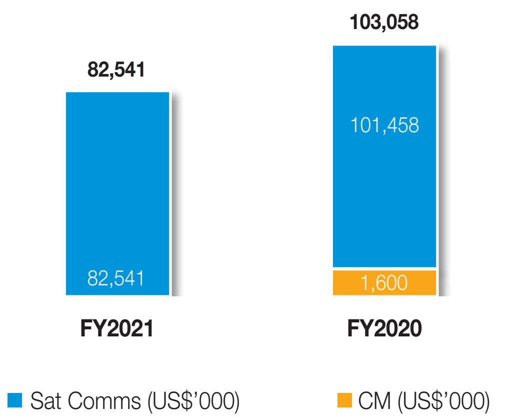
ANTHONY BRIAN TAYLOR
Executive Chairman

FINANCIAL & OPERATIONS HIGHLIGHTS

REVENUE BY GEOGRAPHICAL SEGMENTS



REVENUE BY BUSINESS SEGMENTS



KEY FINANCIAL HIGHLIGHTS	FY2021	FY2020	Change (%)
Revenue (US$'000)	82,541	103,058	(19.9)
Gross Profit (US$'000)	16,550	25,705	(35.6)
Profit After Tax (US$'000)	558	2,609	(78.6)
Earnings per Share on a Fully Diluted Basis (US cents)	0.21	0.96	(78.1)
Net Asset Value per Share (US cents)	17.44	17.28	0.9
Tax Paid (US$'000)	2	480	(99.6)
EBITDA (US$'000)	4,848	9,566	(49.3)
Dividend Paid	Nil	Nil	Nil

RATIOS			
Current Ratio	2.09	2.13	(1.9)
Return on Equity	0.01	0.06	(83.3)
Net Gearing	0.40	0.37	8.1
Cash Ratio	0.40	0.47	(14.9)

CORPORATE MILESTONES

2021
- Shipped first samples of 10W and 20W XRJ Mid Power Transceivers to launch customer

2016
- Rebrand trading name of "Skyware Global" to "Global Skyware"
- Consolidated operations into one facility in China
- Designed and manufactured of Eastern Arc Twin Generation 2 Hybrid

2017
- Designed and manufactured new DCSS Western Arc Triple LNB
- Conception and live test of new video streaming technology

2018
- Launch of Foxcom New Hangar Repeater Solution
- Purchased assets of Skyware Technologies

2019
- Global Skyware ships new compact single fibre VSAT, FiberGo
- Purchased assets and intellectual property from Apexsat Pte. Ltd.
- Formed PT Global Invacom Indonesia

2020
- Formed Global Invacom (Shanghai) Co., Ltd
- Relocated Shanghai manufacturing operations to third-party subcontract manufacturer in the Philippines

2015
Purchased Satellite Acquisition Corporation

2014
- Successfully dual listed on AIM Market in London
- Purchased Foxcom assets

2013
Purchased Raven Manufacturing Limited (since renamed to Global Invacom Manufacturing (UK) Limited)

2012
- Listed on the Singapore Exchange following reverse takeover of Radiance Group Limited
- Purchased The Waveguide Solution Ltd
- Formed Global Invacom Sdn Bhd

2011
Purchased ProVision assets

2006
- Appointed Anthony Brian Taylor as Chief Executive Officer of Global Communications
- Awarded 1st prize in the ASTRA Innovation Contest 2006

2007
Launched new Stacker De-stacker using one cable technology

2008
Global Communications and Invacom merged to form Global Invacom Limited

2009
- Designed and manufactured the first cost effective optical LNB
- Management buyout of Global Invacom Limited. Global Invacom Holdings Limited was formed

2010
- Purchased controlling interest in Radiance Group Limited
- Started dish manufacturing

2004
Launched the world's first circular/linear polar LNB

2001
Launched the world's first integrated Very Small Aperture Terminal ("VSAT") LNB

2000
Formed Invacom Limited

1998
Invented the tvLINK for BSkyB

1997
Designed and manufactured the first DiSEqC switches

1985
Formed Global Communications (UK) Ltd

1988
Designed and manufactured the first Direct-Broadcast Satellite ("DBS") switch

1990
Designed and manufactured the first Mini Magic Switch

1992
Designed and manufactured the first Low Noise Block ("LNB") stacker

1993
Designed and manufactured the first satellite TV frequency extender

BOARD OF DIRECTORS

ANTHONY BRIAN TAYLOR
Executive Chairman

Anthony Taylor was appointed as an Executive Director on 18 August 2010 and then Executive Chairman of the Board of Directors and Chief Executive Officer on 26 October 2010. He is also a member of the Nominating Committee.

Mr Taylor is the Managing Director of Global Invacom Limited and is also a director of Global Invacom Holdings Limited and other Group subsidiaries. Mr Taylor's entire professional career has been spent working within international high technology businesses with diverse commercial propositions which include semiconductors, automotive electronics, military and satellite-related products. He also has over 22 years of experience in senior executive leadership roles and formally held positions at Harris Semiconductor from 1984 to 1987, and Marconi Electronic Devices from 1987 to 1990, before joining SGS-THOMSON Microelectronics between 1990 and 1999. Mr Taylor was appointed the Chief Executive Officer of TechnoFusion GmbH, where he served from 1999 to 2002, and was the General Manager of Amphenol Limited from 2002 to 2006.

Mr Taylor holds a Bachelor of Science (Electronics) degree with Honours from Coventry University in the United Kingdom.

GORDON BLAIKIE
Executive Director

Gordon Blaikie was appointed as an Executive Director on 1 July 2021.

Mr Blaikie joined Global Invacom as Operations Director in July 2012 and was promoted to Chief Operating Officer in 2016. As the Group's Chief Operating Officer, he is responsible for the manufacturing entities and sales functions of the Group. He works closely with the Board of Directors and other members of the senior management team to strategise, streamline and improve the Group's operating performance. Mr Blaikie has 38 years of experience in manufacturing and operations and was previously the Operations Director for Amphenol, the world's leader in connector manufacturing in both aerospace and military products. Prior to joining Amphenol, he spent 20 years at Clairemont Electronics.

Mr Blaikie holds a Diploma in Production and Inventory Management Control.

JOHN LIM YEW KONG
Lead Independent Director

John Lim Yew Kong was appointed as an Independent Director on 13 September 2010. He is the Chairman of the Audit and Risk Committee as well as Lead Independent Director and a member of the Nominating Committee and Remuneration Committee.

Since 1991, Mr Lim was involved extensively in corporate advisory and private equity investments, having worked in AXIA Equity Pte Ltd and two private equity funds covering the ASEAN region. Mr Lim worked in Dowell Schlumberger in the United Kingdom and Arthur Andersen & Co, London between 1984 and 1991. Currently, he is an Independent Non-Executive Director of Karin Technology Holdings Limited and ZICO Holdings Inc., which are both listed on the Singapore Exchange.

Mr Lim graduated with a Bachelor's degree in Economics from the London School of Economics and Political Science in the United Kingdom. He is a Chartered Accountant of the Institute of Chartered Accountants in England and Wales.

COSIMO BORRELLI
Independent Director

Cosimo Borrelli was appointed Non-Executive Director on 4 December 2009 and was the Chairman of the Board of Directors from 4 December 2009 to 25 October 2010. Following the completion of the acquisition of Global Invacom Holdings Limited, Mr Borrelli was re-designated as an Independent Director on 8 August 2012. He is the Chairman of the Nominating Committee and a member of the Audit and Risk Committee, as well as the Remuneration Committee.

Mr Borrelli is a Chartered Accountant with over 32 years of experience in formal and informal corporate restructuring, forensic accounting and financial investigations. This experience has included being appointed by courts, lenders and financiers, distressed companies, secured and unsecured creditors, investors and other interested parties. Mr Borrelli has a track record in establishing and delivering restructuring and corporate advisory arrangements in numerous industries, including financial services, property, telecommunications, retail, manufacturing and professional services.

Mr Borrelli holds a Bachelor's degree in Economics from the University of Adelaide, Australia. He is a member of the Institute of Chartered Accountants in Australia, as well as the Institute of Certified Public Accountants and Institute of Certified Public Accountants Insolvency Interest Group in Hong Kong, and the Insolvency Practitioners Association of Australia.

BOARD OF DIRECTORS

WAYNE ROBERT PORRITT

Independent Director

Wayne Robert Porritt was appointed as an Independent Director on 9 October 2020. He currently acts as the Chairman of the Remuneration Committee and is a member of both the Audit and Risk and Nominating Committees.

Mr Porritt is an accomplished global risk professional with significant experience engaging with regulatory authorities across Asia, the United Kingdom and the United States. He has held non-executive board roles in a number of banking, finance and commodity related businesses and has worked extensively across Asia, the Middle East and Africa, particularly in Greater China, South Korea, Thailand and Japan. Mr Porritt has held senior positions at Bank of America and Standard Chartered Bank after starting his career at the State Bank of New South Wales and then Ernst & Young and Société Générale Australia. Over his career, he has specialised in risk, corporate credit, global financial restructuring and insolvency engagements for corporate and financial institutions.

Mr Porritt currently acts as a Non-Executive board member/council member for a number of entities, including Sun Hung Kai & Co. Limited, Oxfam Hong Kong and The Aurora Group – A Ruby Foundation Limited. He is also a graduate member of the Australian Institute of Company Directors.

KENNY SIM MONG KEANG

Non-Executive Director

Kenny Sim Mong Keang was appointed as a Non-Executive Director on 23 September 2015.

Mr Sim is the founder and Chief Executive Officer of both I2 Capital Pte Ltd and CESK Capital Pte Ltd, specialising in investment, and corporate advisory services, respectively. He currently serves on the boards of telecommunications company Oden Technology Pte Ltd and property investment firms Maximus Fortune Pte Ltd and ZACD Group Ltd, which is listed on the Hong Kong Stock Exchange. Mr Sim also founded the Plexus group of companies in 1997, which, under his leadership, became a regional electronics components distributor with 18 offices across Asia. Prior to founding his current companies, Mr Sim was the Group Managing Director and Chief Executive Officer of SGX Catalist-listed WE Holdings Ltd, acquired in 2011 through a reverse takeover of Westech Electronics Ltd by Plexus Components.

Mr Sim holds a Bachelor of Commerce degree from Murdoch University, Western Australia, and a Diploma in Electronics Engineering from Ngee Ann Polytechnic, Singapore. He currently serves as the Chairman of Bukit Timah Citizens' Consultative Committees.

KEY MANAGEMENT

ASHLEY WILLIAM HYDE

UK Financial Controller

Ashley Hyde is jointly responsible for the overall financial management of the Group's operations worldwide.

Mr Hyde has 15 years of accounting experience working in diverse industries such as direct marketing, public relation and advisory, and manufacturing. Prior to joining Global Invacom, Mr Hyde worked for the Fast-Moving Consumer Goods business unit of DFDS Seaways, a Danish shipping, ferry and logistics company, where he was based in their Dover office.

Mr Hyde has been a member of the Association of Chartered Certified Accountants since January 2020.

DEREK ARTHUR HENRY GRICE

Chief Technical Officer

Derek Grice is responsible for the continuous development of new technologies and products for current and future market opportunities being addressed by the Company. Mr Grice will communicate with stakeholders on technology advances and changes, and provide guidance and information leading to the strategic direction of the business.

Mr Grice joined Global Invacom Limited in September 2020 as EMEA Engineering Director and brings over 35 years of satellite product development experience to the Group. Previously he worked for Microelectronics Technology Inc, a Taiwanese electronics manufacturer of Very Small Aperture Terminal ("**VSAT**") and Direct to Home ("**DTH**") products. Mr Grice also worked at Channel Master and Raven Manufacturing Limited, where he was responsible for the design and development of innovative new antennas for Sky TV and Viasat Internet.

Mr Grice holds a Diploma in Electronics and Measurement systems.

MICHAEL JACKSON

General Manager, Global Skyware

Michael Jackson is responsible for the day-to-day operations of the Group's satellite antenna design, manufacture, and distribution business. Mr Jackson assumed the Global Skyware General Manager role in October 2020, having joined Global Skyware in August 2013. Prior to that, he held various senior roles in the sales team, including Group Head of Sales for the Americas. In his sales capacity at Global Skyware, Mr Jackson led a team effort that resulted in a sustainable, ten-fold revenue growth with the largest network integrator/satellite service provider in the world.

Mr Jackson has more than 33 years of experience in the Satcom industry. Before joining Global Skyware, he spent 25 years at Prodelin Corporation/General Dynamics working in various roles, including sales, logistics, operations, programme and product management.

HAMID MOHEB MCKEE

Chief Technical Officer, Global Skyware

Hamid Moheb Mckee is responsible for Global Skyware Engineering & Product Development. He works closely with customers to transition and qualify new antenna designs to production. Dr Moheb joined Global Skyware in May 2013, bringing over 25 years of satellite and wireless product development experience to the Group. Before joining Global Skyware, Dr Moheb spent 18 years at General Dynamics' Satcom Solutions, TriPoint Global Communications Inc. and Prodelin, working in various positions including Vice President of Technology, and Director of Business and Product Development, where he was responsible for Very Small Aperture Terminal ("**VSAT**") and Wireless Products. Dr Moheb was instrumental in consumer Ka-band antenna development for Spaceway and Jupiter antennas, as well as antenna/Radio Frequency ("**RF**") components development for Point-To-Point and Point-To-Multipoint Wireless industry. Prior to that, he was Head of Applied Electromagnetics Group at InfoMagnetics Technologies Corporation in Canada and worked closely with Canadian Research Centre, as well as the Canadian Space Agency to develop technology for Space-borne antennas, Active Planar Array Antennas, and Radar applications.

Dr Moheb holds Doctoral, Master's and Bachelor's degrees in Electrical Engineering. He has served as technical reviewer of the Institute of Electrical and Electronics Engineers ("**IEEE**") Microwave Theory and Techniques Journal, and the IEEE's International Symposium on Antenna Technology and Applied Electromagnetics ("**ANTEM**") Conference. He was a technical programme committee member in several international conferences and has published over 50 papers in referred journal articles and conference papers. He holds multiple patents in the field of satellite communication antennas.

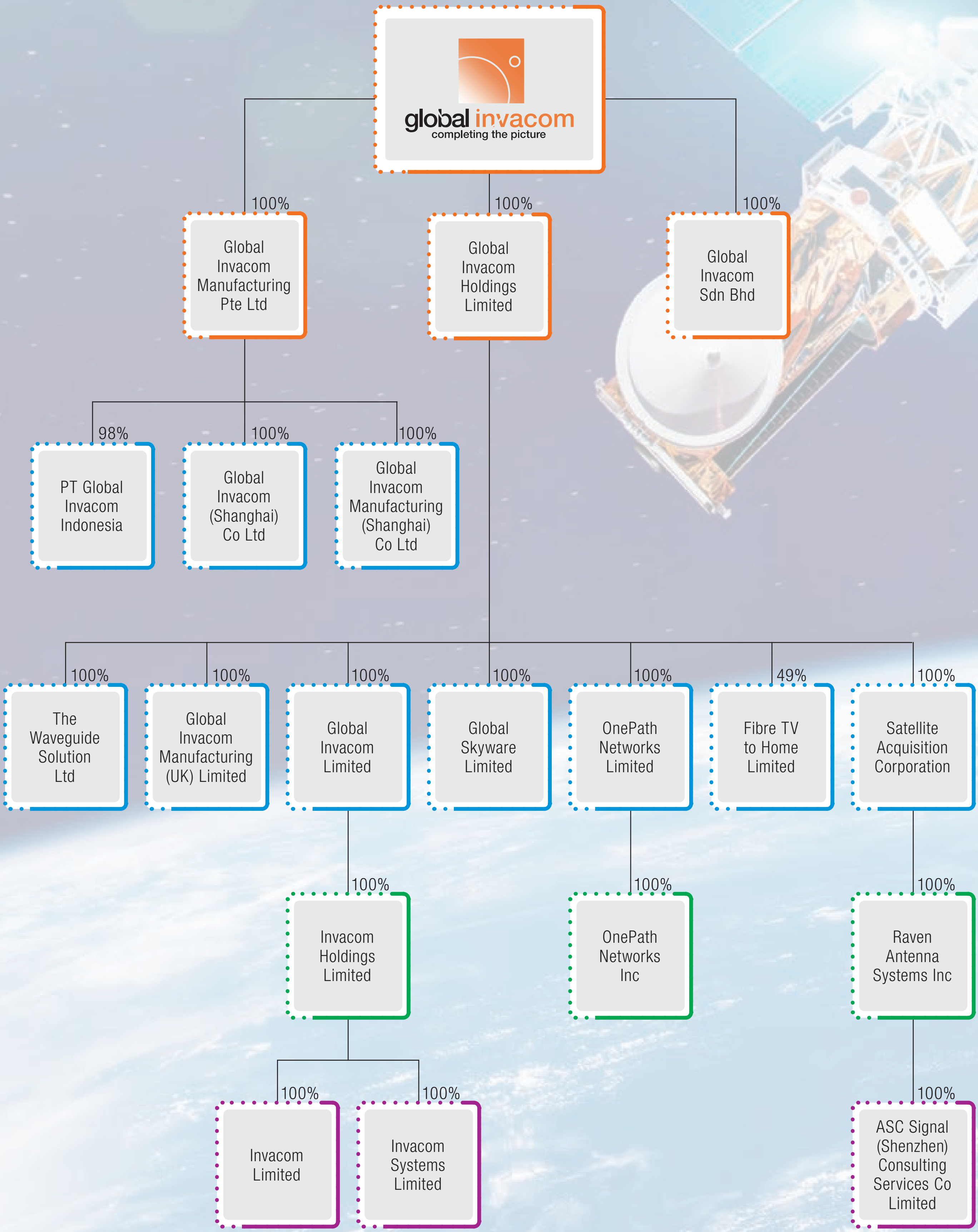
WENDY ISABEL WONG PEI FERN

Group Financial Controller

Wendy Isabel Wong is jointly responsible for the overall financial, accounting, tax, treasury, corporate finance, and compliance matters of the Group and had been with the Company since 2007. Ms Wong is a director of Global Invacom Manufacturing Pte Ltd and other Group subsidiaries. Ms Wong has worked in finance and accounting for more than 26 years and has also held various management positions in multinational and listed companies in the IT and telecommunications industries.

Ms Wong holds a Bachelor's degree in Accountancy from Nanyang Technological University, Singapore. She was admitted as a member of the Institute of Singapore Chartered Accountants in 1998 and has been a Chartered Accountant since 2001.

CORPORATE STRUCTURE



SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") of Global Invacom Group Limited ("**GIGL**" or the "**Company**") and its subsidiaries (collectively the "**Group**") recognises the need to disclose our environmental, social and governance ("**ESG**") practices and performances and has produced our fifth sustainability report ("**SR**") to shareholders, for the financial year ended 31 December 2021.

The Group remains committed to creating constant growth through sustainable practices and effort. Pivotal to the Group's continued growth is the Board's belief that our key stakeholders' interests are of the utmost importance.

GIGL seeks to act in the best interest of our shareholders' investment through our continuing effort of being financially prudent whilst managing our risks (operational and strategic). The Group endeavours to align these long-term interests with that of our stakeholders.

During the year in review and due to the COVID-19 pandemic, the Board had assessed the material ESG factors and found that there was no requirement to include additional or to remove existing material factors. The Group has taken all appropriate steps to address the global challenges posed by COVID-19 to minimise business disruptions

In December 2021, the Singapore Exchange unveiled a new roadmap for listed companies to provide climate-related disclosures based on recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Board has taken note of this new requirement which will apply to the Group for the financial year ending 31 December 2022. The Group will provide climate reporting based on the TCFD recommendations on a 'comply or explain' basis in our 2022 SR.

ABOUT THIS SUSTAINABILITY REPORT, REPORTING LOCATIONS, BOUNDARIES AND PERIOD

The Group's fifth SR covers the period from 1 January 2021 to 31 December 2021 ("**2021**"). This SR was prepared in accordance with the Global Reporting Initiative Standards ("**GRI Standards**"): Core option. The SR had also sought reference from Rule 711A and 711B of the Listing Manual of the Singapore Stock Exchange ("**SGX-ST**"). The Group has selected to use the GRI Standards as these are widely adopted in Singapore for the purpose of sustainability reporting. Nevertheless, all reporting standards are reviewed internally on an annual basis and, if need be, reporting standards can be changed for future SRs.

Unless otherwise stated, this SR covers the ESG aspects of the Group's operations across three regions broadly defined as America, Europe and APAC (covering Asia and the Rest of the World).

It should be noted that as a change to the reporting practice in 2019 and 2020, this SR no longer includes resources expended by the Philippines CEM. Where applicable, the 2019 and 2020 data shown in this SR has been updated to reflect this change. Once the Group fully reports its Scope 3 carbon emissions, these will then include the emissions generated by the Philippines CEM arising from the manufacture of the Group's products.

The Board will continue to oversee the identification and management of sustainability practices. Our Management team will assist to identify, measure and address sustainability related matters on an ongoing basis.

No external assurance was sought for the preparation of this SR. As this is the fifth SR, the Group will be giving consideration to the use of an internal auditor going forwards, to provide external assurance on our future SRs.

GOVERNANCE AND DISCLOSURES

The Board, supported by our senior management, was involved in the current assessment and review of sustainability issues. Oversight of the SR remained delegated to Mr Malcolm John Burrell, our Chief Risk Officer and Chief Sustainability Officer.

Nonetheless, the Board continues to have oversight on sustainability issues and responsibilities including the identification of internal and external stakeholders, their engagement, broad base material topics, and in future years, tracking of their performance and progress.

In conducting its business, GIGL always seeks to adhere to local legislations and upholds a high standard of corporate governance.

A detailed report on our governance disclosures can be found on pages 29 to 49 as set out in this Annual Report 2021 ("**AR FY2021**").

WEBSITE AND FEEDBACK

To minimise environmental impact, the Group has adopted the practice of not printing any physical copies of this SR and has incorporated it into the AR FY2021. Stakeholders and shareholders can download the AR FY2021 online at the URL https://globalinvacom.com/investor-relations.

SUSTAINABILITY REPORT

Stakeholders' feedback is very important to us. We welcome feedback on this SR or any aspect of our sustainability performance. Please email any queries or feedback to SR@globalinvacom.com

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for risk governance and its management practices. The Board has the responsibility to ensure that a sound system of internal controls is in place to mitigate risk and safeguard shareholders' interests.

The Board approves key risk management policies, the level of tolerance and oversight on design, monitoring and implementation of risk management and the internal controls system. Further information on our risk management and internal controls can be found in the Report on Corporate Governance as set out in the AR FY2021.

CODE OF BUSINESS CONDUCT

The Group does not currently have any comprehensive or generic Code of Conduct. We intend to review and consolidate our common practices and incorporate them into a Group policy handbook with a view to clearly defining written rules for our employees when dealing with third parties. So far, we have started the process of reviewing the existing common practice.

GIGL has in place a Whistle-Blowing policy, overseen by our Audit and Risk Committee ("**ARC**"), which provides a channel for our employees to raise concerns they may have about potential or actual improprieties directly to the Lead Independent Director. GIGL protects whistle-blowers from any form of retaliation, harassment or other discriminatory acts.

ANTI-BRIBERY AND CORRUPTION POLICY

GIGL has zero tolerance of bribery and corruption, and employees are expected to uphold the highest standards of professional conduct. There have been no reportable incidents of any employee engaging in bribery or corruption in 2021.

The Group also confirms that there was no monetary incentive or equivalent provided to any politically exposed person or political parties to secure any contract in 2021.

CUSTOMER PRIVACY

In the course of ordinary business, GIGL operates at the business-to-business level, and hence the collection of customer's personal data is minimal. The Group has not identified any substantiated complaints concerning breaches of customer privacy.

The Group has appointed Ms Teo Ser Cher as Data Protection Officer ("**DPO**") to oversee customer data collection in Singapore. Mr Malcolm Burrell, our Chief Risk Officer, has oversight of the data protection regulations in the various countries in which we operate.

MATERIALITY ASSESSMENT FRAMEWORK

As part of the GRI Standards disclosures, the Group continues to adopt the recommended approach of the four reporting principles namely stakeholder inclusiveness, sustainability context, its materiality, and completeness when determining material, strategic and reporting issues.

The likelihood and impact matrix for risk assessment was aligned with the Group's sustainability strategy when prioritising material ESG factors. For 2021, the material topics were reviewed so that they remained relevant and aligned. There was no recommended change of material topics subsequent to the review.

COMMITMENT AND DISCLOSURES OF KEY PERFORMANCE INDICATORS ("KPIS")

All data in this SR was extracted internally from our kept documents and/or records to ensure accuracy. While the previous SR does not specifically evaluate performance against established targets, the Group is mindful about being committed to set targets and goals for future reporting. For 2021, the Group is pleased to provide a preliminary update on the ongoing targets set. Wherever data is inadequate or not available for presentation, we have included an explanatory note.

As disclosed previously, the Group hopes to establish and implement data tracking and gathering mechanisms for improved reporting going forwards. The following baseline continues to be in place to commit to certain targets using key performance indicators.

SUSTAINABILITY REPORT

PERFORMANCE INDICATORS	COMMITMENT (TARGET)	KPIs	TARGET ACHIEVED IN 2021
Economic Performance	Grow profits and improve cash flow	■ Revenue ■ Operating Costs ■ EBITDA	No
Energy Efficiency	Maintain and ideally reduce energy consumption through energy efficiency measures. Adopt energy efficient assets and renewable energy solutions and reduce air travel	■ Energy consumption ■ Energy intensity, expressed as kWh per dollar of revenue ■ Combined carbon emission	Partial
Water Conservation	Maintain and ideally reduce water consumption and encourage use of treated/ recycled water	■ Water consumption	Yes
Occupational Health & Safety	Provide a safe and healthy work environment. Reduce the injury rate and lost day rate year on year	■ Work-related fatalities ■ Work-related injuries ■ Work-related ill health	Partial
Training & Education	Improve employee competencies	■ Programs implemented ■ Training hours per staff	Yes
Customer Health & Safety	Ensure legal compliance in all areas of operations and be ethical in business conduct and practices	■ Non-compliance incidents with regulations and/or voluntary codes	Yes
Socioeconomic Compliance	No incidents of non-compliance, and uphold high standards of ethical business conduct	■ Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations	Yes

STAKEHOLDER ENGAGEMENT

For 2021, Management and the Company Secretary continued to perform an internal assessment of key stakeholder groups, their concerns (if any) and expectations. The Group is pleased to inform shareholders that we conducted a stakeholder survey during 2021, and has gathered salient feedback in respect of our SR and its GRI materiality. The Group wishes to thank all our stakeholders who participated in our survey.

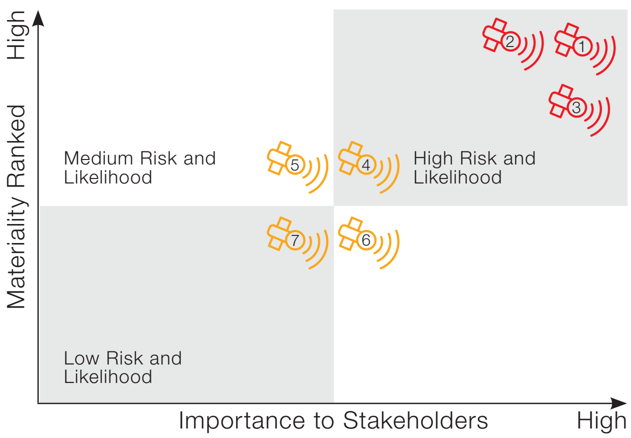
The list of stakeholders identified by Management is shown in the table below. The Stakeholder Survey confirmed that the expectation and feedback which had been earlier mapped out by Management remained relevant. Additional engagements arising out of the Survey are marked with an asterisk.

STAKEHOLDERS	EXPECTATION	ENGAGEMENT	OUR RESPONSE
GOVERNMENT & REGULATORS	■ Regulatory compliance and feedback	■ SGX/AIM half-yearly announcements ■ Annual Reports ■ Ongoing dialogues	■ To comply with prevailing rules and legislation
CUSTOMERS	■ Product quality and safety ■ User experience ■ Recycling of waste and consumables ■ Health and safety in workplace	■ Feedback form ■ Meeting sessions and client management ■ Website/phone contact/ email	■ Via regular communication whether formal or informal meetings. We also ensure that products delivered are quality to our end users

SUSTAINABILITY REPORT

STAKEHOLDERS	EXPECTATION	ENGAGEMENT	OUR RESPONSE
EMPLOYEES	■ Remuneration and benefits ■ Career development and progression ■ Training opportunities ■ Job security ■ Health and safety in the workplace ■ *Renewable energy plan of the Group ■ *Carbon reduction plan	■ Annual performance appraisal system ■ Training and education opportunities ■ Face to face meetings ■ News via emails and circulars ■ *To discuss and plan for further improvements on our energy savings	■ Be open and transparent about our human resource policies ■ Feedback obtained through formal appraisal and informal sessions ■ *To disclose more energy and water savings initiatives in our future SR
INVESTORS & SHAREHOLDERS	■ Group's growth ■ Risk management and internal controls ■ Economic performances ■ Shareholders' return	■ General meetings ■ Quarterly results and presentations ■ Annual reports ■ GIGL's corporate website	■ Adhere to guidelines as recommended by regulators ■ Ensure transparent and timely dissemination of all material information to shareholders and stakeholders
CONTRACTORS & SUPPLIERS	■ Environmental compliance ■ Ongoing certification and specification	■ Face to face meeting ■ Email/phone contact ■ Feedback on product supplied and their quality	■ To devise ethical procurement policies and internal processes to ensure equitable treatment of all our suppliers when selecting vendors or awarding contracts

KEY MATERIAL FACTORS IDENTIFIED, RANKED AND CHOSEN BY MANAGEMENT



Materiality Ranked	Importance to Stakeholders	Map to GRI Standards
1	Economic Performance	201
2	Training & Development	404
3	Health & Safety	403/416
4	Energy Efficiency	302
5	Water and Effluent	303
6	Recycling	306
7	Socioeconomic Compliance	419

SUSTAINABILITY REPORT

ENVIRONMENTAL HIGHLIGHTS

ENVIRONMENTAL	FY2019	FY2020	FY2021
Energy intensity (kWh per US$)	0.19	0.22	0.24
Energy used (kWh)	25,070,754	22,368,443	19,289,309
Combined carbon emissions (kgCO_2)	7,886,103	6,177,696	4,940,314
Carbon emission intensity (Kg/US$)	0.059	0.060	0.060
Water consumption (m^3)	63,738	44,495	42,699
Water consumption intensity (m^3 per US$1,000)	0.47	0.43	0.5
Rainwater harvested (m^3)	2,979	2,455	2,800
Water recycled (m^3)	600	–	–
Non-hazardous waste (tonnes)	3,107	2,799	1,468
Non-hazardous waste recycled (tonnes)	2,612	2,532	1,373
Hazardous waste (tonnes)	15.8	18.2	17.4

SOCIAL HIGHLIGHTS

EMPLOYEES	FY2019	FY2020	FY2021
Number of employees	660	377	347
Permanent employees	649	355	315
Temporary employees	11	22	32
Permanent male employees	303	233	214
Permanent female employees	346	122	101
Average training hours per permanent employee (male)	14.0	4.7	4.9
Average training hours per permanent employee (female)	22.0	7.2	7.9
Average permanent new hires (Group basis)	10%	18%	23%
Average permanent employee turnover rate (Group basis)	25%	52%	28%
Fatal accidents	Nil	Nil	Nil

The number of employees in 2021 reduced by a further 8.0% compared to 2020 due to the reduction in revenues. The average number of training hours was 5.9.

SUSTAINABILITY REPORT

ELECTRICITY AND GAS

The Group consumes electricity and gas directly as an end user at our facilities, with the vast majority being used in our manufacturing plants. No renewable sources or self-generated energy was obtained internally.

In 2021, the Group's energy consumption by region is shown in the table below:

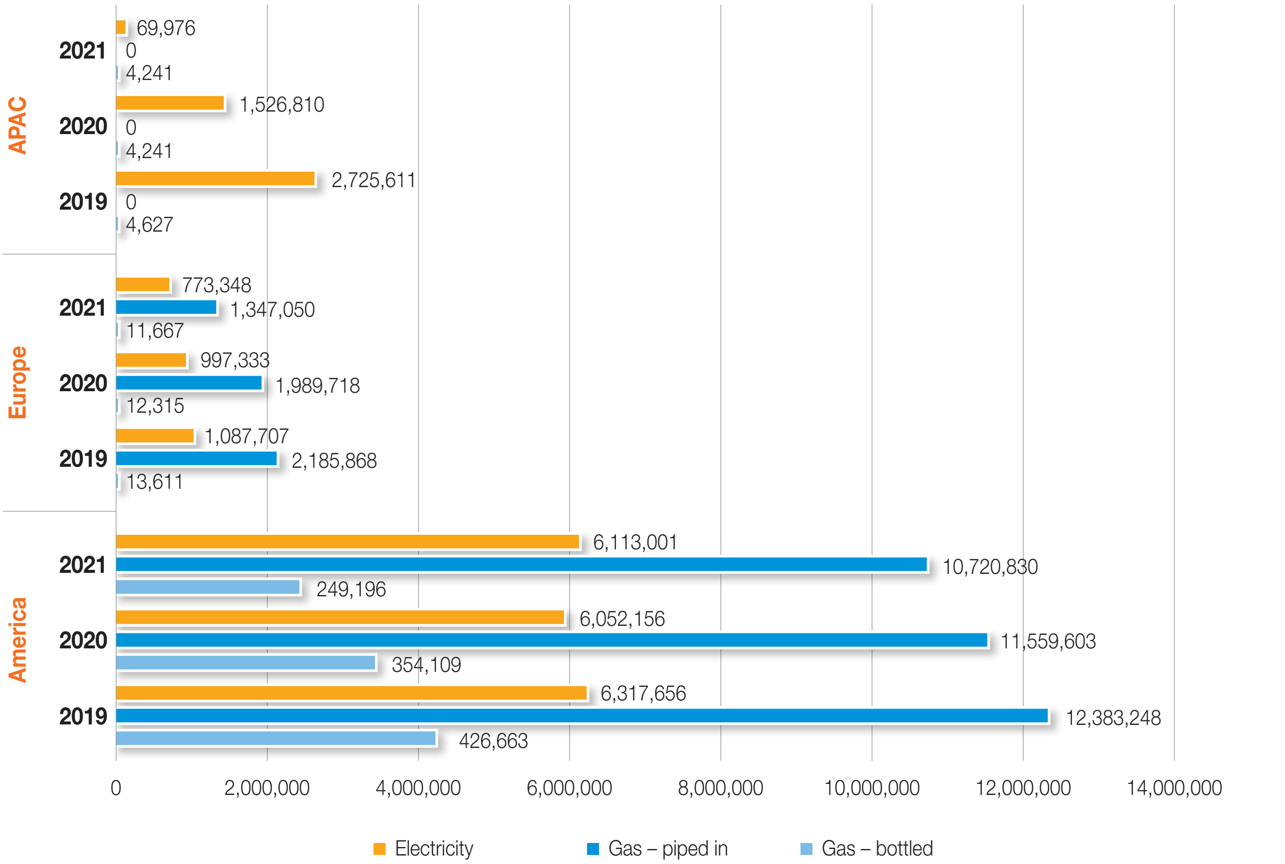
Regions	America	Europe	APAC	Group
Energy Type (kWh)				
Electricity	6,113,001	773,348	69,976	6,956,325
Gas – piped in	10,720,830	1,347,050	–	12,067,880
Gas – bottled	249,196	11,667	4,241	265,104
Total	**17,083,027**	**2,132,065**	**74,217**	**19,289,309**

In 2021, the Group consumed a total 19,289,309 kWh, a significant decrease of 13.77% from 22,368,443 kWh in 2020. The decrease in energy consumption was a direct consequence of the lower turnover for 2021 compared to 2020.

Although energy consumption declined significantly in 2021, the Group's energy intensity increased from 0.22 kW/h per US$ in 2020 to 0.24 kW/h per US$ in 2021. This increase was primarily attributable to lower efficiencies achieved as a consequence of the reduced turnover.

The Group continues to identify and implement energy reduction initiatives going forwards, which may include the use of renewables and continual review of its manufacturing plants to reduce energy consumption.

Energy Consumption by Region (kWh)



SUSTAINABILITY REPORT

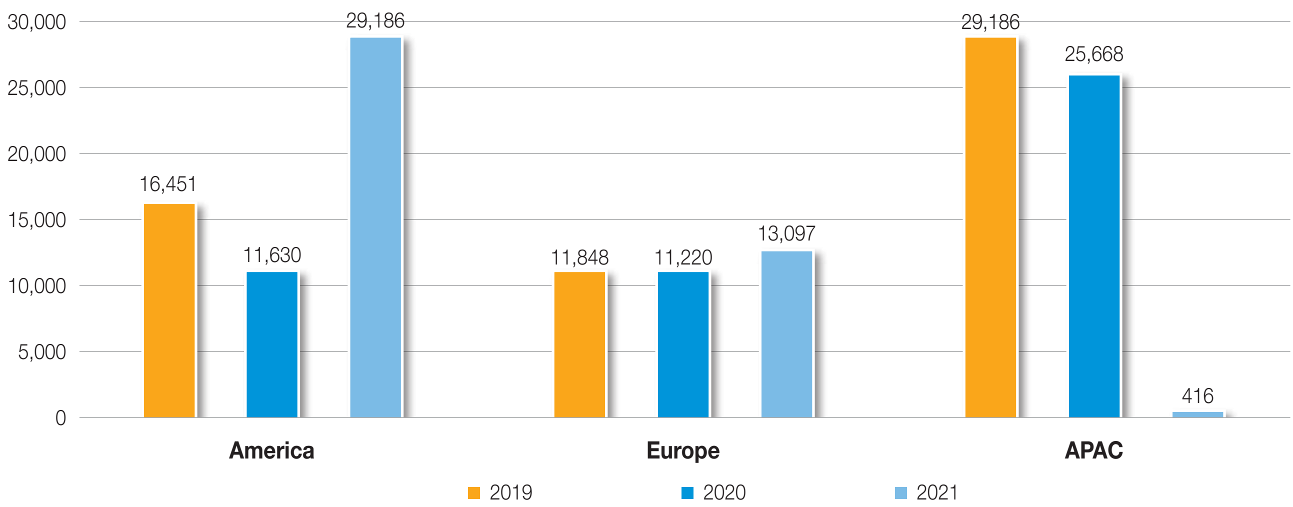
WATER AND EFFLUENT

The Group does not consume large volumes of water in its manufacturing processes and is not aware that any of its manufacturing facilities operates in any water stressed areas. GIGL only draws water from public utilities for our business operations and during 2021 has not been notified of any water stress issues. The Group continues to harvest rainwater for use in its manufacturing processes at the Accrington facility in the United Kingdom ("**UK**"), thereby helping to reduce consumption of water from the public utility.

In 2021, our total water consumption was 42,699 m^3, compared with 48,518 m^3 in 2020. This decrease of 12.0% was a result of the closure of GISH in 2020 where we saw a significant reduction in water usage in APAC in 2021, but this was offset by the increased usage in America due to a leak at GSW. Nevertheless, our water consumption intensity has increased from 0.43 m^3 per US$1,000 in 2020 to 0.50 m^3 in 2021 mainly due to lower revenue recorded in 2021.

All discharges of effluent made by the Group are mainly into public sewers, with a small amount removed by specialist trucks, and comply with all local regulations.

Water Consumption by Regions (m^3)



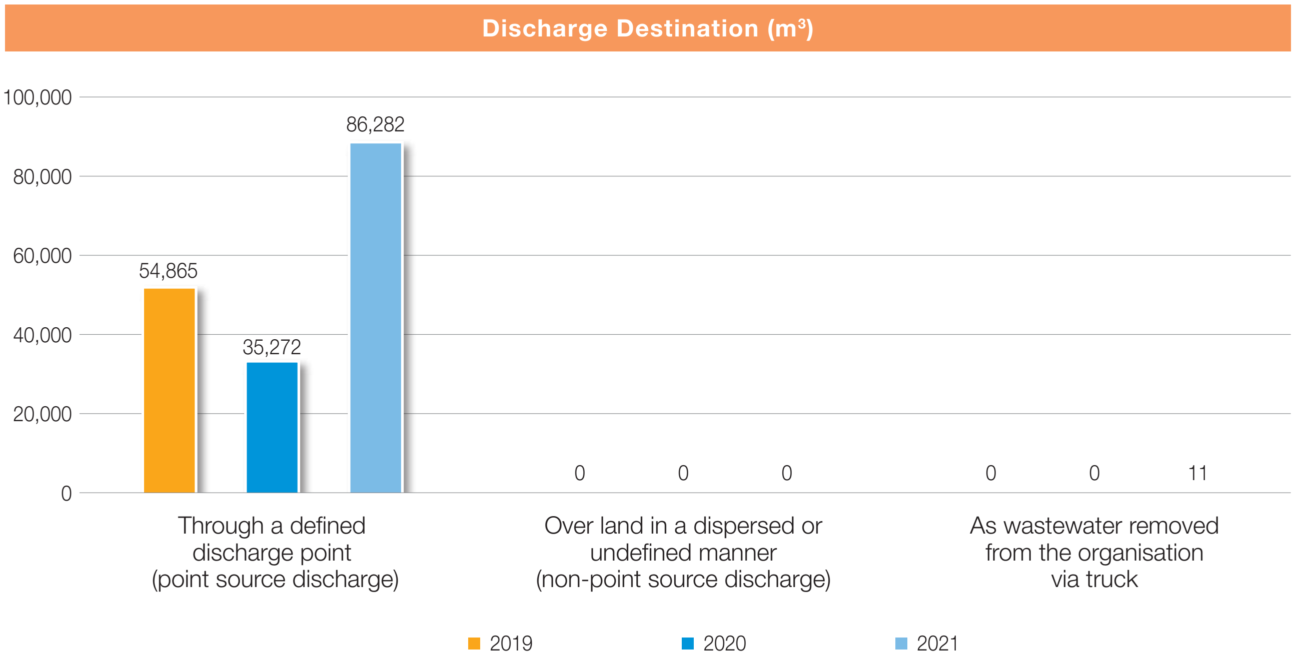
WATER RECYCLING AND DISCHARGE

Water used by the Group as part of the production process is discharged into the public sewers in the countries in which we operate. In 2021, we did not recycle any of the water consumed.

Discharge Destination	Vol (m^3) 2019	Vol (m^3) 2020	Vol (m^3) 2021
Through a defined discharge point (point source discharge)	54,865	35,272	86,282
Over land in a dispersed or undefined manner (non-point source discharge)	–	–	–
As wastewater removed from the organisation via truck	–	–	11
Total Water Discharged	**54,865**	**35,272**	**86,293**

As in previous years, there were no spills reported in 2021.

SUSTAINABILITY REPORT



The Group will continue to identify and implement water reduction and recycling initiatives

WASTE AND EFFLUENTS

The waste generated at our manufacturing plants includes scrap metal, wood and cardboard. All waste is disposed using waste contractors hired by our respective manufacturing plants in accordance with the prevailing laws, and disposed of through recycling, landfill or incineration. Where possible, for instance in the case of scrap metal, our waste is recycled by specialist contractors.

In 2021, approximately 1,468 tonnes of non-hazardous waste was generated by the Group, of which approximately 1,373 tonnes (94.0%) was recycled, compared to 91.0% in 2020 and 85.1% in 2019. Hazardous waste is disposed of by specialist waste contractors.

Disposal Method	America		EMEA		APAC	
	Weight (kg)		Weight (kg)		Weight (kg)	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
Recycling	–	529,201	2	844,093	–	–
Recovery	–	–	17,095	–	–	–
Incineration	318	4,264	–	–	–	–
Landfill	–	2,294	–	65,795	–	1,682
Other	–	–	–	20,750	–	–
Totals	**318**	**535,759**	**17,097**	**930,638**	**–**	**1,682**

SUSTAINABILITY REPORT

CARBON EMISSIONS

The Group's carbon emissions are now reported by Scope. The Group's Scope 1 emissions arise principally from burning of gas, both piped-in and bottled.

Our Scope 2 emissions are primarily due to consumption of electricity.

Our Scope 3 emissions are not yet fully reported, with only business travel included so far. The Group is aiming to include all the various Scope 3 emissions going forwards, commencing with the 2022 SR. For the Group, Scope 3 emissions include those arising from purchased products, purchased components, purchased materials, business travel, employee commuting, waste disposal, water consumption, the use of our products by end-users and transportation/distribution (both upstream and downstream).

A breakdown of emissions by Scope and by country is shown below for 2019, 2020 and 2021:

2021 Carbon Emissions

By Scope	GHG Emissions CO_2e (kg) by Country								
	USA	UK	Israel	PRC	Malaysia	Singapore	Philippines	Indonesia	Group
Scope 1	1,996,646	277,135	–	–	977	–	–	–	2,274,758
Scope 2	2,343,847	163,625	71,173	25,675	2,246	2,170	7,901	406	2,617,043
Scope 3*	–	27,872	4,355	6,330	545	–	–	9,413	48,515
Totals	**4,340,493**	**468,632**	**75,528**	**32,005**	**3,768**	**2,170**	**7,901**	**9,819**	**4,940,316**

2020 Carbon Emissions

By Scope	GHG Emissions CO_2e (kg) by Country								
	USA	UK	Israel	PRC	Malaysia	Singapore	Philippines	Indonesia	Group
Scope 1	2,172,531	408,221	–	–	977	–	–	–	2,581,729
Scope 2	2,320,518	201,590	112,634	761,131	4,792	2,356	75,235	406	3,478,662
Scope 3*	21,372	84,562	33,291	5,465	605	5,909	–	33,435	184,639
Totals	**4,514,421**	**694,373**	**145,925**	**766,596**	**6,374**	**8,265**	**75,235**	**33,841**	**6,245,030**

SUSTAINABILITY REPORT

2019 Carbon Emissions

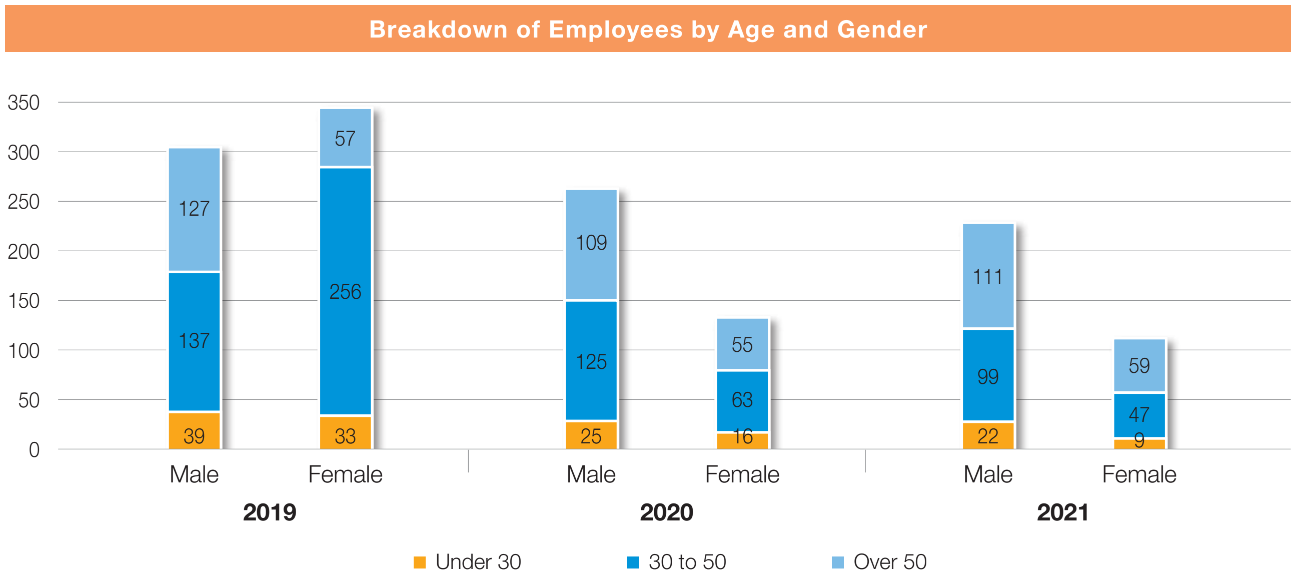
By Scope	GHG Emissions CO_2e (kg) by Country							
	USA	UK	Israel	PRC	Malaysia	Singapore	Philippines	Group
Scope 1	2,338,222	449,664	–	–	1,065	–	–	2,788,951
Scope 2	2,422,316	254,369	95,424	1,464,026	4,193	3,304	39,101	4,282,733
Scope 3*	72,729	621,308	58,751	53,018	8,195	39,519	–	853,520
Totals	**4,833,267**	**1,325,341**	**154,175**	**1,517,044**	**13,453**	**42,823**	**39,101**	**7,925,204**

* *currently includes business travel only.*

Local conversion factors for calculating greenhouse gas emissions have been used, as in the case of electricity, these vary significantly from country to country. The carbon emissions arising from business travel decreased significantly in 2020 compared to 2019, and further still in 2021 as a direct consequence of the pandemic. Despite the reduction in business travel, our carbon intensity remained flat at 0.06 kg per US$ due to lower efficiencies achieved as a consequence of the reduced turnover.

DIVERSITY AND EQUALITY

GIGL is an equal opportunity employer and does not tolerate discrimination. There were no incidents of discrimination reported in 2021. The Group ended the year with a total of 315 full time employees (2020: 355), of whom 68% were male and 32% were female (2020: 66% male, 44% female).

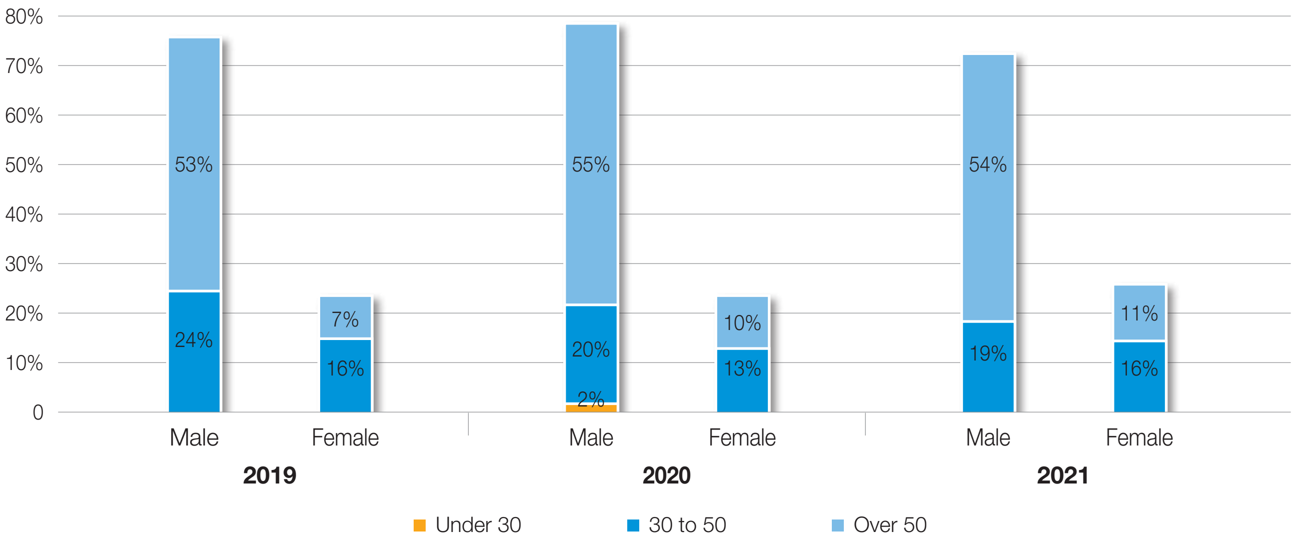


The Group complies with all labour laws in the regions in which we operate. We have a zero tolerance of the use of child labour, both within our own facilities and in those of our suppliers.

SUSTAINABILITY REPORT

Our management teams throughout the Group are largely drawn from local people, with the exception of the executive team who are all from the UK. In 2021, out of the 37 members of the management teams, 27% are female and 73% are male.

Senior Management Team by Age and Gender (%)



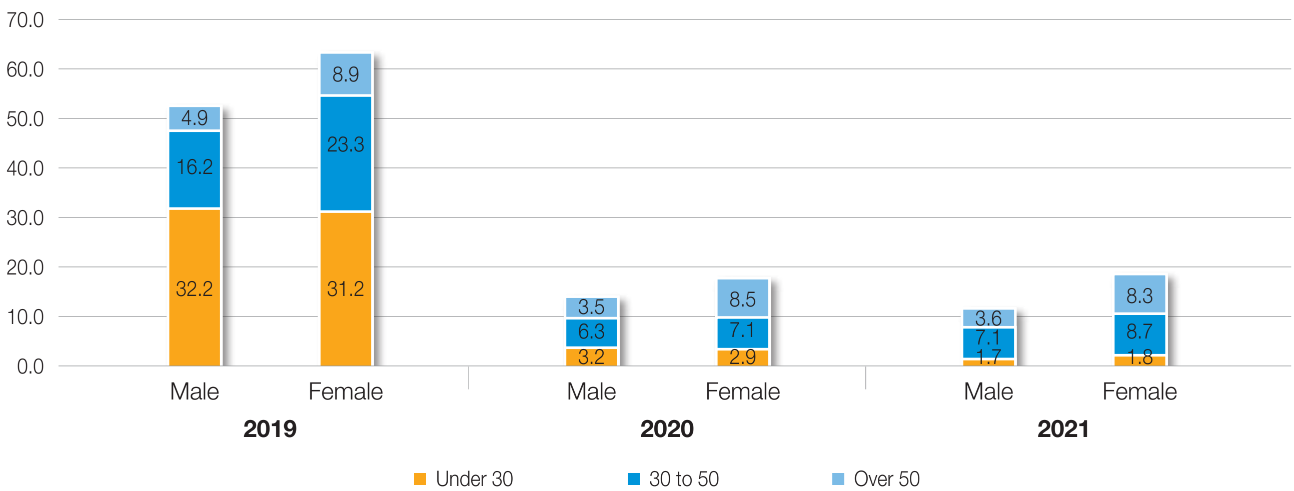
TRAINING AND EDUCATION

The Group recognises that our employees are key stakeholders and that their knowledge and skill are critical in achieving overall success. We also believe that staff retention and productivity can both be improved through the personal development of our workforce.

GIGL offers structured training to equip our employees with the skills and knowledge required within the business and makes use of both in-house and external training. All employees of the Group receive regular reviews of their performance and development through the use of an appraisal system. In 2021, the Group provided a total of 2,053 training hours for its workforce (2020: 2,092 hours).

We are continuously seeking to develop and improve our employees' training schedules to deepen their engagement with the Group.

Average Number of Training Per Employee by Gender (Hours)



SUSTAINABILITY REPORT

EMPLOYEE ENGAGEMENT AND TURNOVER

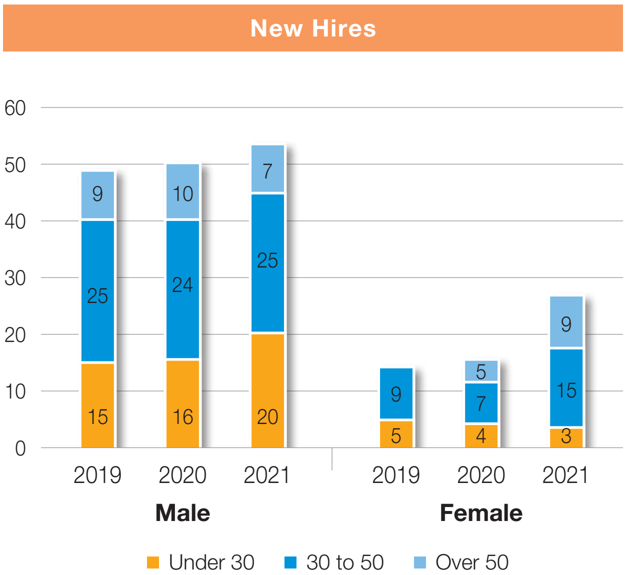
The Group offers a range of benefits to its employees, which varies by region and includes some or all of the following – parental leave, life insurance, healthcare and pension provision. All full-time employees of the Group are accorded parental leave. In some countries where the Group operates, we also accord parental leave to part-time employees depending on the situation.

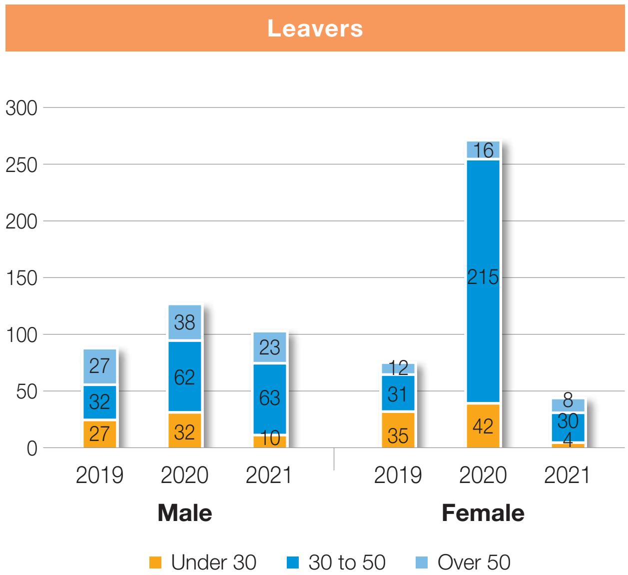
In 2021, the return-to-work rate of employees that took parental leave was 100% for male and 100% for female. The retention rate of employees that took parental leave was 100% for both male and female.

As previously mentioned, all employees receive a regular appraisal. The opportunities for social events and team building exercises were restricted in 2021 due to the pandemic.

The overall staff turnover rate of the Group in 2021 was 28% compared with 52% in 2020, which was previously skewed due to closure of our factory in the PRC.

We continue to develop our engagement with our employees and will also continue to monitor and report on our staff turnover, with the aim of improving our employee engagement and reducing staff turnover (other than where required for operational reasons).





SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY ("OSH")

The Group is committed to providing a safe working environment for its employees and also to providing products which are safe for its customers to use. Each entity within the Group fully complies with all local OSH regulations. Some of the manufacturing facilities within the Group are also recognised to ISO45001. The Group is working towards rolling out a Group-wide OSH management system which also takes account of the respective local regulations in the countries in which the Group operates.

For the Group and the Philippines CEM, no breaches to local OSH regulations were identified, and there were no work-related fatalities, incidents of work-related ill health or high-consequence work-related injuries in 2021. There were 12 recordable injuries, an increase from 7 in 2020. These injuries were mainly due to trips and falls and were minor in nature. Going forwards, the aim is to further improve our OSH management system to drive down all work-related injuries to zero.

Key OSH Data	
Total available work hours	1,368,960
Total available workdays	104,307
Number of fatalities	–
Fatality Rate	–
Number of high-consequence injuries	–
High-consequence injury rate	–
Number of recordable injuries (per 200,000 man-hours worked)	12
Recordable injury rate	7
Days lost due to injury	10
Lost day rate (LDR)	6
Days lost to absence	748
Absentee rate (AR)	–
Main types of injuries	Trips and falls

As at the date of this SR, there were no significant incidents of non-compliance with regulations and/or voluntary codes concerning health and safety in the locations where we managed our business.

Product safety is inherent in our product design, product manufacturing and material procurement processes. The Group is not aware of any non-compliance with regulations and/or voluntary codes, nor has it been made aware of any safety issues arising out of the use of our products in 2021.

SOCIOECONOMIC

The Group takes seriously its obligations to comply with the legislation and standards in the regions in which it operates. In 2021, there was no reportable incidents of significant fines due to non-compliance with existing labour laws and/or regulations across the Group.

COMMUNITY

As a good corporate citizen, GIGL strives to minimise impact on the environment. Our various facilities largely draw their workforces from the local communities in which they are based. The Group currently makes available a nominal amount for each entity to support local charitable causes. Going forward, the Group intends to review and ideally increase its charitable involvement and contributions to the various local communities in which it operates. The opportunities for charitable involvement were curtailed in 2021 due to the COVID-19 pandemic.

SUSTAINABILITY REPORT

INDIRECT ECONOMIC IMPACTS

The Group's operations contributed to the economies of the countries in which it operates. We have sustained and created employment, up-skilled local workforces through training and on-the-job experience and contributed to tax revenues.

SUPPLY CHAIN AND PROCUREMENT POLICY

The Group recognises the crucial role that its suppliers play in the overall operation and success of the business. We are dependent on our suppliers, and so it is generally in the Group's interest for our suppliers to continue to be successful, whilst supplying quality components at a good price.

The Group also recognises that the overall sustainability of its operations depends not just on its own performance in the ESG aspects, but also on that of its suppliers.

Whilst we have some way to go in formulating and implementing a policy in respect of the sustainability of our suppliers, we do conduct formal assessments on many of our existing key suppliers, and also on new suppliers. These assessments do cover some ESG aspects, including the use of child labour.

Going forward, the Group intends to formulate a Group-wide procurement policy, which will include a requirement for suppliers to report on the key relevant ESG aspects.

LOCAL SUPPLIERS

The Group strives to keep it supply chains short and local. However, many of the components used in the Group's products, notably semi-conductors, are sourced from large multi-national corporations, and so it is not always possible to source locally. Furthermore, the need to remain competitive may lead to the sourcing of components from the most cost-effective suppliers, which may be located offshore. The Group will review the practicality of providing objective supply chain data with respect to locality in its future reports.

MEMBERSHIP OF ASSOCIATIONS

The Group participates in various professional associations and business federations. A list of these is provided below:

No.	Association
1	Confederation of Aerial Industries
2	Society for Broadband Professionals
3	EEF Manufacturing Organisation
4	Digital Television Group
5	Singapore Business Federation
6	MTSFB (Malaysia Technical Standard Forum Bhd)
7	JOSCAR (Joint Supply Chain Accreditation Register)
8	BSI Assurance UK Ltd

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
1. Organisational Profile		
102-1	Name of the organisation	AR FY2021
102-2	Activities, brands, products, and services	1-5, AR FY2021
102-3	Location of headquarters	Singapore
102-4	Location of operations	11, 95-97, AR FY2021
102-5	Ownership and legal form	Public Listed Company (Limited by Share Capital)
102-6	Markets served	11, AR FY2021
102-7	Scale of the organisation	11, AR FY2021
102-8	Information on employees and other workers	16, 21-23, AR FY2021
102-9	Supply chain	25, AR FY2021
102-10	Significant changes to the organisation and its supply chain	25, AR FY2021
102-11	Precautionary principle or approach	38-43, 119-127, AR FY2021
102-12	External initiatives	14-25, AR FY2021
102-13	Membership of associations	25, AR FY2021
2. Strategy		
102-14	Statement from senior decision-maker	2-5, 12, AR FY2021
3. Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	1, AR FY2021
102-17	Mechanisms for advice and concerns about ethics	12-13, 41-43, AR FY2021
4. Governance		
102-18	Governance structure	29, AR FY2021
5. Stakeholder Engagement		
102-40	List of stakeholder groups	14-15, AR FY2021
102-41	Collective bargaining agreements	Not applicable. No collective bargaining agreements.
102-42	Identifying and selecting stakeholders	14-15, AR FY2021
102-43	Approach to stakeholder engagement	14-15, AR FY2021
102-44	Key topics and concerns raised	14-15, AR FY2021
102-45	Entities included in the consolidated financial statements	92-94, AR FY2021
102-46	Defining report content and topic boundaries	12-13, AR FY2021
102-47	List of material topics	14-15, AR FY2021
102-48	Restatements of information	The Group had restated GRI 305-1,2 and 3 to reflect types of Scopes 1, 2 and 3 of Carbon emission for 2019 and 2020.

SUSTAINABILITY REPORT

GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
102-49	Changes in reporting	Not applicable
102-50	Reporting period	1 January 2021 to 31 December 2021
102-51	Date of most recent report	FY2021
102-52	Disclosure reporting cycle	Annual
102-53	Contact point for questions regarding the report	13, AR FY2021
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	26-28, AR FY2021
102-56	External assurance	Not applicable. This is the fifth year of reporting.
103-1	Explanation of material topic and its boundary	13-15, AR FY2021
103-2	The management approach and its components	13-15, AR FY2021
103-3	Evaluation of the management approach	13-15, AR FY2021
Economic Presence		
201-1	Direct economic value generated and distributed	6, AR FY2021
Market Presence		
202-2	Proportion of senior management hired from local community	22, AR FY2021
Indirect Economic Impact		
203-1	Infrastructure investments and services supported	24-25, AR FY2021
Anti-Corruption		
205-2	Communication and training on anti-corruption policies and procedures	13, AR FY2021
205-3	Incidents and action taken	13, AR FY2021
Energy		
302-1	Energy consumption within the organisation	16-17, AR FY2021
302-3	Energy intensity	16-17, AR FY2021
302-4	Reduction of energy consumption	16-17, AR FY2021
Water and Effluent		
303-1	Interactions with water as a shared resource	18-19, AR FY2021
303-3	Water withdrawal	18-19, AR FY2021
303-5	Water consumption	18-19, AR FY2021
Emissions		
305-1	Direct (Scope 3) GHG emissions	20-21, AR FY2021
305-2	Indirect (Scope 3) GHG emissions	20-21, AR FY2021

SUSTAINABILITY REPORT

GRI Standards	Disclosures	Page Number(s) and/or URL or Reason for Omission
305-3	Other indirect (Scope 3) GHG emissions	20-21, AR FY2021
305-4	GHG emissions intensity	20-21, AR FY2021
Effluents and Waste		
306-1	Water discharge by quality and destination	19, AR FY2021
306-2	Waste by type and disposal method	19, AR FY2021
Employment		
401-1	New employee hires and employee turnover	23, AR FY2021
401-3	Parental leave	23, AR FY2021
Occupational Health and Safety		
403-1	Occupational health and safety management system	24, AR FY2021
403-2	Hazard identification, risk assessment and incident investigation	24, AR FY2021
403-3	Occupational health services	24, AR FY2021
403-4	Work participation, consultation and communication on occupational health and safety	24, AR FY2021
403-5	Worker training on occupational health and safety	24, AR FY2021
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	24, AR FY2021
403-9	Work-related injuries	24, AR FY2021
Training/Education		
404-1	Average hours of training	22, AR FY2021
404-2	Employee skills upgrade and transition assistance programmes	22, AR FY2021
404-3	Performance and career development reviews	22, AR FY2021
Diversity and Equal Opportunities		
405-1	Diversity	21, AR FY2021
Public Policy		
415-1	Political contributions	12, AR FY2021
Customer Health and Safety		
416-1	Health and safety impacts assessment of products and services	24, AR FY2021
416-2	Incidents of non-compliance	24, AR FY2021
Customer Privacy		
418-1	Customer privacy and losses of customer data	13, AR FY2021
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	24, AR FY2021

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of Global Invacom Group Limited (the "**Company**") believes in maintaining high standards of corporate governance and is committed to ensuring that effective self-regulatory corporate practices are in place to protect the interests of its shareholders. The Company supports the recommendations of the 2018 Code of Corporate Governance issued by the Monetary Authority of Singapore (the "**Code**").

The Company is pleased to disclose below a description of its corporate governance processes and activities with specific reference to the Code. Other than the specific deviations or alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code which are explained in this report, the Company has complied with the principles and guidelines of the Code.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to the Company's shareholders and other stakeholders. The Board oversees the business and corporate affairs of the Company and its subsidiaries (collectively the "**Group**") and is collectively responsible for its success. The Board sets the overall strategy of the Group and sets policies on matters relating to financial control, financial performance, key operating initiatives, major funding and investment proposals, risk management procedures and corporate governance practices.

In addition, the principal duties of the Board include:

- Providing entrepreneurial leadership, setting the Group's strategic objectives and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.

- Overseeing the process for evaluating the adequacy and effectiveness of internal control, risk management, financial reporting and compliance to safeguard shareholders' interest and the Group's assets.

- Reviewing the performance of management and overseeing succession planning for management.

- Identifying the key stakeholder groups and recognising that their perceptions affect the Group's reputation.

- Setting the Group's values and standards (including ethical standards) and ensuring the obligations to shareholders and other stakeholders are understood and met.

- Considering sustainability issues as part of the strategic formulation.

The Board members are fiduciaries who act objectively in the best interests of the Company and hold Management accountable for performance. Directors, if facing conflicts of interest, would recuse themselves from discussions and decisions involving the issues of conflict.

Management, together with the Board Committees, including the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") support the Board in discharging its responsibilities. To facilitate effective management, certain functions have been delegated to various Board Committees, each of which has its own written terms of reference ("**TOR**").

The roles and powers of the Board Committees are set out separately in this report.

The Board conducts regular scheduled meetings at least four times yearly and as warranted by particular circumstances. The Company's Constitution provides for Directors to convene meetings by way of telephone conferencing or any other electronic means of communication. When a physical Board meeting is not possible, timely communication between members of the Board can be achieved through electronic means or via circular of written resolutions for approval by the Board.

REPORT ON CORPORATE GOVERNANCE

Details of Board and Board Committees' meetings held for the financial year ended 31 December 2021 ("**FY2021**") are disclosed in the table below:

	Board	ARC	NC	RC
Total Number of Meetings Held	**5**	**4**	**1**	**1**
Anthony Brian Taylor	5	NA(1)	1	NA(1)
Gordon Blaikie(2)	5	NA(1)	NA(1)	NA(1)
Malcolm John Burrell(3)	5	NA(1)	NA(1)	NA(1)
John Lim Yew Kong	5	4	1	1
Cosimo Borrelli	5	4	1	1
Wayne Robert Porritt	5	4	1	1
Kenny Sim Mong Keang	5	NA(1)	NA(1)	NA(1)

Notes:
(1) Not applicable as he is not a member of the committee.
(2) Mr Gordon Blaikie was appointed to the Board on 1 July 2021. He attended all Board Meetings in his capacity as Chief Operating Officer of the Company prior to his appointment as a Director of the Company on 1 July 2021.
(3) Mr Malcolm John Burrell resigned as a Director on 1 July 2021. He attended all Board Meetings in his capacity as Chief Risk Officer and Chief Sustainability Officer of the Company subsequent to his resignation as a Director of the Company on 1 July 2021.

Prior to each Board meeting and when the need arises, the Board is provided with complete and adequate information in a timely manner, thus allowing them to deliberate on issues which require consideration. The Management would also provide the explanatory documents on matters to be discussed before the Board and Board Committees' meetings. Directors are also entitled to request from Management and be provided with additional information as needed to make informed decisions and discharge their duties and responsibilities.

The Directors have separate and independent access to Management, Company Secretary and the external auditors at all times. Where the Directors either individually or as a group, in the furtherance of their duties, require independent professional advice, such service will be available at the Company's expense. The Directors may, on a case-to-case basis, propose to the Board for such independent and professional advice to be sought, the cost of which will be borne by the Company. The Directors also have unrestricted access to the Company's records and information. The Company Secretary administers, attends and prepares minutes of all Board's and Board Committees' meetings for circulation and approval. The appointment and the removal of the Company Secretary rests with the Board as a whole.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. Board approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, acquisitions and disposal of assets, major corporate policies on key areas of operations, acceptance of bank facilities, release of the Group's financial results and interested person transactions of a material nature.

The Board ensures that incoming new Directors are provided with information on the Group's business and are briefed on the business activities and the strategic direction of the Group. Directors also have the opportunity to meet with Management to gain a better understanding of the Group's business operations.

Upon appointment, a new Director is provided with a formal letter, setting out their duties and obligations as Directors. A new Director is also briefed by external professionals in respect of changes in the prevailing legislation. The Company Secretary also provides updates on changes to the Companies Act 1967 of Singapore and the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") as and when the changes become effective.

In addition, as required under the Listing Manual of the SGX-ST, a new director who has no prior experience as director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST.

Mr Gordon Blaikie, who was appointed on 1 July 2021 and has no prior experience as a director of a company listed on the SGX-ST, was given letter of appointment setting out his duties and obligations. Although Mr Blaikie has no prior experience as a director of a company listed on the SGX-ST, he has been attending Board meetings since 2015, hence very familiar with the roles and responsibilities as director of a public company listed in Singapore. Mr Blaikie will be attending the mandatory prescribed courses conducted by the Singapore Institute of Directors ("**SID**").

REPORT ON CORPORATE GOVERNANCE

Directors are kept informed of the relevant laws, regulations and challenging commercial risks from time to time. Relevant updates, news releases issued by SGX-ST and the Accounting and Corporate Regulatory Authority are circulated to the Board for information.

To keep abreast with changes and developments in rules, regulations and the business environment, all Directors are encouraged to attend relevant training courses. The Company endorses the SID training programs and sets a budget for such training and professional development programs. All Board members are encouraged to attend relevant training organised by the SID or any other organisation which provides relevant training courses for Directors. The cost of such training will be borne by the Company.

Principle 2: Board Composition and Guidance

As of the date of this report, the Board comprises:

Name of Directors	Designation	Age
Anthony Brian Taylor	Executive Chairman and Chief Executive Officer ("**CEO**")	59
Gordon Blaikie	Executive Director	56
John Lim Yew Kong	Lead Independent Director ("**LID**")	60
Cosimo Borrelli	Independent Director	55
Wayne Robert Porritt	Independent Director	54
Kenny Sim Mong Keang	Non-Independent and Non-Executive Director	52

The Company has adopted a Board Diversity Policy in FY2019. The Company understands and believes that a diverse Board will help improve the overall performance and operation capability of the Company. It enhances decision-making capability and a diverse Board is more effective in dealing with organisational changes as well as giving diversified views thus enhancing Board discussion and ensuring that the decision made by the Board have been considered from all points of view. The Board regularly reviews succession planning, gender diversity, recompositing and refreshment of the Board.

NC considers the current Board size of six members appropriate, having regard to the nature and scope of the Group's operations. The diversity of the Directors' experiences allows for the useful exchange of ideas and views. The size and composition of the Board are reviewed on an annual basis by the NC to ensure that it has the appropriate mix of core expertise and experience consistent with the nature, size and complexities of the Group's business and its operating environment which is further enhanced by an annual evaluation completed by each individual Director.

Out of the six members, three are Independent Directors and one is a Non-Independent Non-Executive Director. As a whole, there are four Non-Executive Directors on the Board.

Despite the variation from Provision 2.2 of the Code which Independent Directors do not make up a majority of the Board where the Chairman is not independent, the Company considers the current Board size of six members is appropriate having regard to the nature and scope of the Group's operations. As a whole, there are four Non-Executive Directors which make up a majority of the Board, of whom three are Independent Directors which make up half of the Board, which had continued to make up a strong and independent element of the Board whereby the views of the Management and Executive Chairman and his team were constructively challenged, from time to time, at Board meetings.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgment to bear on business activities and transactions involving conflict of interests and other complexities.

The Independent Directors, led by LID, are able to meet for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary without the presence of the other Directors. LID would provide any feedback to the Chairman as necessary.

Taking note of provision 2.2 of the Code, the NC would continue to evaluate the composition of the Board.

REPORT ON CORPORATE GOVERNANCE

The NC determines on an annual basis whether or not a Director is independent, taking into account the Code's definition of independence. Independence is taken to mean that Directors are independent in conduct, character and judgement, and have no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interest of the Company.

For the year under review, the NC assessed the independence of each Director and is of the opinion that Messrs John Lim Yew Kong, Cosimo Borrelli and Wayne Robert Porritt continue to be independent. Each member of the NC abstained from deliberations in respect of the assessment on his own independence.

Messrs Cosimo Borrelli and John Lim Yew Kong, who have been a Director for an aggregate period of more than nine years, had been approved at the Annual General Meeting ("**AGM**") of the Company held on 28 April 2021 under the Two-Tiered Voting, to continue as Independent Director of the Company until (i) their retirement or resignation; or (ii) the conclusion of the third AGM of the Company following the AGM held on 28 April 2021, whichever is earlier.

Principle 3: Chairman and Chief Executive Officer

Mr Anthony Brian Taylor is the Executive Chairman of the Board. His main responsibilities include leading the Board to ensure its effectiveness on various aspects of its role, assisting in ensuring compliance with the Group's guidelines on corporate governance and ensuring that the Directors are provided with complete, adequate and timely information. The Company Secretary assists the Executive Chairman in scheduling Board and Board Committees' meetings and prepares agenda papers in consultation with the Executive Chairman.

Mr Taylor also functions as the CEO of the Company. As CEO, Mr Taylor manages and oversees the Group's day-to-day operations and implementation of the Group's strategies, plans and policies to achieve the planned corporate performance and financial goals.

Although this deviates from the recommendations set out in the Code, the Board believes that vesting the roles of both Chairman and CEO on the same person who is knowledgeable in the business of the Group provides the Group with a strong and consistent leadership and allows for more effective planning and execution of long term business strategies. Mr Taylor's dual role as Executive Chairman and CEO will enable the Group to conduct its business more efficiently and to ensure that the decision-making process of the Group will not be unnecessarily hindered.

The Board believes that there are adequate safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decision making without Mr Taylor exercising any undue influence on any decision made by the Board.

The NC will, from time to time, review the need to separate the roles of Chairman and CEO and will make its recommendations, as appropriate.

Mr John Lim Yew Kong, who is the LID of the Company, would address the concerns, if any, of the Company's shareholders on issues that cannot be appropriately dealt with by the Chairman and CEO.

Where appropriate and necessary, the Independent Directors would meet without the presence of the other Directors, for the Lead Independent Director to provide any feedback to the Chairman.

Principle 4: Board Membership

The NC comprises a majority of Independent Directors. The Chairman of the NC, Mr Cosimo Borrelli, an Independent Director, is not associated with any substantial shareholders. The LID, Mr John Lim Yew Kong is also a member of the NC. The members of the NC are:

(i) Cosimo Borrelli (Chairman)
(ii) John Lim Yew Kong
(iii) Wayne Robert Porritt
(iv) Anthony Brian Taylor

REPORT ON CORPORATE GOVERNANCE

The key terms of reference of the NC include the following:

- Review and recommend to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable).
- Review the skills required by the Board and the size of the Board.
- Determine annually whether or not a Director is independent.
- Develop a process for evaluating the performance of the Board, its Board Committees and Directors and implementing such process for assessing the effectiveness of the Board as a whole and the contribution of each individual Director.
- Evaluate whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company.
- Make recommendation to the Board in determining the maximum number of listed company board representations which any Director may hold.
- Review the training and professional development programs for the Board.
- Review the Board's succession plans for Directors, in particular, the Chairman, the CEO and key management personnel.

The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and succession and leadership development plans of the key management personnel. Succession planning is a crucial element of the Group's corporate governance process. The NC seeks to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

The NC has adopted a process for selection and appointment of new Directors. This provides the procedure for identification of potential candidates, evaluation of candidates' skills, knowledge and experience, assessment of candidates' suitability and recommendation for nomination to the Board. Potential candidates are sourced from the Board's and Management's network of contacts and are identified based on the needs and the relevant expertise required by the Company. The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment requires a specific skill set or industry specialisation. The NC, having assessed each candidate based on the essential and desirable competencies for a particular appointment, will nominate the most suitable candidate for appointment to the Board.

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance.

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least every three years. Regulation 105 of the Company's Constitution provides that one-third of the Directors (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. The retired Directors shall be eligible for re-election at the AGM.

Messrs Kenny Sim Mong Keang and Gordon Blaikie who are retiring at the forthcoming AGM under Regulation 105 and 109 of the Company's Constitution respectively, have offered themselves for re-election. The Board has accepted the NC's recommendation and the abovenamed Directors will be offering themselves for re-election at the Company's forthcoming AGM.

Each member of the NC had abstained from voting on any resolutions and making any recommendations/participating in any deliberations of the NC in respect of his own re-nomination as Director.

REPORT ON CORPORATE GOVERNANCE

Set out below are the names, dates of appointment and last re-election of each Director:

Name of Directors	Designation	Date of Appointment	Date of Last Election/ Re-election
Anthony Brian Taylor	Executive Chairman and CEO	18 August 2010	28 April 2021
Gordon Blaikie	Executive Director	1 July 2021	–
John Lim Yew Kong	Lead Independent Director	13 September 2010	28 April 2021
Cosimo Borrelli	Independent Director	4 December 2009	28 April 2021
Wayne Robert Porritt	Independent Director	9 October 2020	28 April 2021
Kenny Sim Mong Keang	Non-Executive Director	23 September 2015	24 April 2019

The NC considered and is of the opinion that the multiple board representations held by Directors of the Company do not impede their performance in carrying out their duties to the Company. For FY2021, the Board did not set any cap on the number of listed company directorships given that all Non-Executive or Independent Directors were able to dedicate their time and attention to the business and affairs of the Company. Nevertheless, should the Board find that time commitment is lacking from any Director, the Board may consider imposing a cap on the number of directorships in future.

The details on the Directors' directorships or chairmanships in other listed companies and other principal commitments are set out in the table below:

Name of Directors	Present Directorships/Chairmanship in listed companies (as at March 2022)	Other Principal Commitments
Anthony Brian Taylor	• Global Invacom Group Limited (Chairman)	• Nil
Gordon Blaikie	• Global Invacom Group Limited (Director)	• Nil
John Lim Yew Kong	• Global Invacom Group Limited (Director) • Karin Technology Holdings Limited (Director) • ZICO Holdings Inc (Director)	• Nil
Cosimo Borrelli	• Global Invacom Group Limited (Director) • Sapura Energy Bhd (Director)	• Borrelli Walsh Limited (Director)
Wayne Robert Porritt	• Global Invacom Group Limited (Director) • Sun Hung Kai & Co. Limited (Director)	• Oxfam Hong Kong (Council & Association Member, Committee Member of Finance, Risk & Audit Committee and Fundraising & Communications Committee)
Kenny Sim Mong Keang	• Global Invacom Group Limited (Director) • ZACD Group Ltd (Director)	• I2 Capital Pte Ltd (Director) • FSK Advisory Pte Ltd (Director)

There was no alternate director being appointed by any Director for FY2021.

The details of the Directors' shareholdings can be found on Note 3 of the Directors' Statement as set out in this Annual Report.

Key information regarding the Directors' academic and professional qualifications is provided on pages 8 to 9 of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

Principle 5: Board Performance

The NC evaluates the Board's performance annually based on established criteria.

Through the NC, the Board has implemented an annual evaluation process to assess the effectiveness of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas relating to:

- Board composition
- Information to the Board
- Board procedures
- Board accountability
- Communication with the CEO and key management personnel
- Succession planning for key management personnel
- Standards of conduct by the Board

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board including its procedures and processes and whether these may be improved upon.

A collective evaluation exercise was carried out by the NC and the Board in the financial year under review. Led by the NC Chairman, this collective assessment was conducted by means of a confidential questionnaire completed by each Director which is collated, analysed and discussed with the NC and the Board against comparatives from the previous year. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate. The Chairman shall act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

The evaluation determined that all Directors had contributed effectively and had demonstrated full commitment to their roles.

Given the current size of the Board, the NC was of the view that the performance evaluation of the Board as a whole would suffice and that performance evaluation of the ARC, NC and RC and individual performance evaluation of each Director is not necessary at this juncture. The NC would consider carrying out the aforesaid performance evaluation in the future, should the need arise.

Succession planning is an important part of the governance process. As part of the annual review, the NC has also reviewed the CEO succession and leadership development plans for key management personnel. The key management personnel hereby refers to the CEO and other persons having authority and responsible for planning, directing and controlling the activities of the Group.

For FY2021, the Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. Where relevant, the NC will consider such an engagement.

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The RC comprises all Independent Directors. The members of the RC are:

(i) Wayne Robert Porritt (Chairman)
(ii) Cosimo Borrelli
(iii) John Lim Yew Kong

The RC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as key management personnel. It is at liberty to seek independent professional advice as appropriate.

REPORT ON CORPORATE GOVERNANCE

Under its TOR, the RC is responsible for reviewing and recommending to the Board:

(a) the remuneration packages of the Directors, key management personnel of the Group and those employees related to Directors or controlling shareholders of the Group (if any);

(b) whether the Executive Directors and key management personnel should be eligible for benefits under any long-term incentive schemes which may be set up from time to time;

(c) any performance based bonus scheme and any other share option scheme or share plan established from time to time for the Directors and key management personnel; and

(d) ongoing appropriateness and relevance of the Company's remuneration policy.

The RC administers the Global Invacom Share Option Scheme 2013 (the "**2013 Scheme**") and the Global Invacom Performance Share Plan 2013 (the "**Global Invacom PSP**"). Details of the 2013 Scheme, the Global Invacom PSP and the options granted are as disclosed in Notes 4 and 5 of the Directors' Statement as set out in this Annual Report.

In setting remuneration packages for the Executive Directors and key management personnel of the Group, the pay and employment conditions within the industry and in comparable companies are taken into account to maintain an appropriate and competitive level of remuneration that will attract, retain and motivate key management personnel.

The RC is assisted by the human resource departments. The RC may from time to time seek external professional advice on remuneration matters, if required. The RC had in 2013 appointed Freshwater Advisers Pte Ltd, an independent compensation specialist, to review the remuneration framework of the Group and to benchmark remuneration of key management personnel. The RC had appointed MM&K Limited, an independent, external professional advisor in 2017 to provide an updated remuneration benchmark and framework.

Directors' fees take into account the relevant Directors' level of contribution and responsibilities. Since FY2011, the RC has adopted a framework for Directors' fees which comprised a basic fee and additional fees for appointment to and chairing of Board Committees. The general framework for the foregoing fees was unchanged as follows:

Board Committee	Type of Appointment	Amount (S$)
Board	Board Member	52,500
Audit and Risk Committee	Committee Chairman	31,500
	Committee Member	15,750
Nominating Committee	Committee Chairman	15,750
	Committee Member	10,500
Remuneration Committee	Committee Chairman	15,750
	Committee Member	10,500

The Directors' fees for FY2021 paid quarterly in arrears amounted to S$294,525. Please refer to Principle 8: Disclosure of Remuneration as set out in this report for the breakdown.

Based on the remuneration structure as recommended by the RC and approved by the Board, the amount payable to the Non-Executive Director and Independent Directors for the financial year ending 31 December 2022 ("**FY2022**") would have been S$346,500. In view of the ongoing challenges faced by the Group including the ongoing impact of COVID-19, the performance of the Group and to show support to all stakeholders including the staff, shareholders and management team, the Non-Executive Director and Independent Directors volunteered to continue in taking a 15% reduction on their fees for FY2022. The Board will table the recommendation of Directors' fees of S$294,525 to be paid quarterly in arrears at the Company's forthcoming AGM for shareholders' approval.

No Director was involved in determining their own remuneration.

Messrs Anthony Brian Taylor and Gordon Blaikie, as Executive Directors of the Company, do not receive any Directors' fees.

REPORT ON CORPORATE GOVERNANCE

Principle 7: Level and Mix of Remuneration

The Group has in place a remuneration policy for Executive Directors and key management personnel which comprises of a fixed and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a cash bonus scheme that is results-based with a trigger set around three key targets, two of which were financial based on revenue and profit before tax and one was a soft target based on new product introduction.

The Group has in place the 2013 Scheme and the Global Invacom PSP, which are long term incentive schemes based on participants achieving pre-set operating unit financial goals, individual performance, as well as achieving corporate financial goals. The purpose of these plans is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate the Group's key management personnel. The schemes are also designed to align the interest of these executives with those of shareholders. There were neither share options nor share awards granted under the schemes in FY2021. The important terms of the share schemes are provided in Notes 4 and 5 of the Directors' Statement as set out in this Annual Report.

The remuneration of Non-Executive Directors is set appropriate to the level of their contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors of the Company are not overly-compensated or incentivised to the extent that would compromise their independence.

Principle 8: Disclosure of Remuneration

The remuneration of Executive Directors, the CEO and key management personnel are disclosed in bands of S$250,000. Although the disclosure is not in compliance with the recommendation of the Code, the Board is of the view that given the confidentiality and commercial sensitivity attached to remuneration matters, the aggregate remuneration paid to the Company's Executive Directors and CEO will not be provided.

The Group is involved in a very niche market with globally, less than 10 major players, of which the Group is one. Those people named within the Executive Directors and key management personnel hold knowledge particular to this market and to the Group and their loss may seriously affect the competitive edge as well as the proprietary knowledge within the Group. The Group believes that the exact disclosure of remuneration would significantly increase the risk of poaching by other competitors in this market. This is particularly more pronounced in FY2021 given global labour shortage and competition for talent.

The details of the remuneration paid and payable to the Executive Directors and the top five key management personnel for FY2021 are as shown:

Name of Executive Directors and Key Management Personnel	Remuneration Band(1)	Base/Fixed Salary	Variable or Performance Related Income/Bonus	Benefits in Kind	Total
		(%)	(%)	(%)	(%)
Executive Directors					
Anthony Brian Taylor	1	99.1	0.0	0.9	100.0
Gordon Blaikie(3)	2	82.7	16.2	1.1	100.0
Malcolm John Burrell(2)	3	96.4	0.0	3.6	100.0
Key Management Personnel					
Ashley William Hyde	3	100.0	0.0	0.0	100.0
Derek Arthur Henry Grice	2	98.7	0.0	1.3	100.0
Hamid Moheb Mckee	2	91.8	0.0	8.2	100.0
Michael Jackson	2	94.5	0.0	5.5	100.0
Wendy Isabel Wong Pei Fern	3	91.6	8.4	0.0	100.0

Notes:
(1) Remuneration Band
1 S$500,000 to below S$750,000
2 S$250,000 to below S$500,000
3 Below S$250,000
(2) Mr Malcom John Burrell resigned from the Board as Executive Director on 1 July 2021.
(3) Mr Gordon Blaikie was appointed to the Board as Executive Director on 1 July 2021.

REPORT ON CORPORATE GOVERNANCE

Details of share options granted to Directors are as disclosed in Notes 4 and 5 of the Directors' Statement as set out in this Annual Report.

The fees paid to the Non-Executive Directors for FY2021 are set out in the table below:

Non-Executive Directors	Directors' Fees Paid (S$)
John Lim Yew Kong	89,250
Cosimo Borrelli	80,325
Wayne Robert Porritt	80,325
Kenny Sim Mong Keang	44,625
Total	294,525

There were no employees of the Group who are immediate family members of a Director or the CEO whose remuneration exceeds S$100,000 during FY2021.

The RC also noted the Code's recommendation for the disclosure of information on the link between remuneration paid to the Executive Directors and key management personnel and performance. Other than the disclosed bonus measurement, the Board is of the view that detailed disclosure of performance conditions/targets should not be disclosed given the sensitivity and confidentiality of Executive Directors and key management personnel's remuneration matters.

The Company is of the view that the information disclosed above provides investors with insights as to the remuneration policies, procedure of setting remuneration and the relationships between remuneration, performance and value creation, and is of the view that the intent of Principle 8 of the Code is met as the remuneration policy, relationships between remuneration, performance and value creation and procedure for setting remuneration applicable to the Executive Directors are described in Principle 7 and 8 of this report.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Group's internal control systems are designed to ensure the reliability and integrity of financial information and to safeguard the assets of the Group. During FY2021, Management, with the assistance of the internal auditors, carried out exercises to review and consolidate the Group's risk register which identifies key risks the Group faces and the internal controls in place to manage or mitigate those risks.

During the year, the Board has reviewed the adequacy and effectiveness of the Company's risk management systems and internal control systems, including financial, operational, compliance and information technology controls.

The Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing financial, operational and compliance risks (including information technology risks) in the Group's current business environment based on:

(a) reviews of internal controls established and maintained by the Group;

(b) Management's annual undertaking confirming their responsibilities for and effectiveness of the internal controls;

(c) reviews and assessment of risks; and

(d) reports issued by the internal and external auditors.

For the financial year under review, the Board had also received the following:

i. written assurance from the CEO and the Group Financial Controller that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

REPORT ON CORPORATE GOVERNANCE

ii. written assurance from the CEO and the Chief Risk Officer that the Group's risk management and internal control systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.

Principle 10: Audit and Risk Committee

The ARC comprises all Independent Directors. The members of the ARC are:

(i) John Lim Yew Kong (Chairman)
(ii) Cosimo Borrelli
(iii) Wayne Robert Porritt

The Board is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities. All ARC members possess extensive business and financial management experience and that at least two ARC members (including the ARC Chairman) possess recent and relevant accounting and financial management expertise and experience.

The ARC meets at least four times a year and as and when necessary to carry out its functions which are set out in Note 6 of the Directors' Statement of this Annual Report.

The ARC has explicit authority to investigate any matter within its TOR and has full access to and the co-operation of Management. The ARC also has full discretion to invite any Director or officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.

The ARC is guided by its TOR which has been amended in line with the recommendations of the Code. The ARC performs the following key functions:

1. Reviews the audit plans of the external and internal auditors of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's Management to the external and internal auditors;

2. Reviews the half-yearly and full year announcements on financial performance, annual financial statements and the auditors' report on the annual financial statements of the Group and the Company before their submission to the Board;

3. Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls via reviews carried out by the internal auditors;

4. Meets with the external auditors, other committees and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

5. Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

6. Reviews the cost effectiveness and the independence and objectivity of the external auditors;

7. Reviews the compensation, nature and extent of non-audit services provided by the external auditors;

8. Recommends to the Board the external auditors to be nominated and reviews the adequacy, effectiveness, independence scope and results of the audit;

9. Reports actions and minutes of the ARC to the Board with such recommendations as the ARC considers appropriate;

10. Reviews interested person transactions in accordance with the requirements of the SGX-ST Listing Manual;

11. Reviews the risks identified by the Enterprise Risk Management process and the effectiveness of the Company's management of risks;

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12. Reviews whistle-blowing reports (if any); and

13. Undertakes such other functions and duties as may be agreed by the ARC and the Board.

During the review of the financial statements for FY2021, the ARC has discussed with Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements. The following significant matters highlighted by the external auditors impacting the financial statements were discussed with Management and the external auditors which were reviewed by the ARC.

Significant Matters	How the ARC Reviewed These Matters and What Decisions Were Made
Valuation of Inventories	The ARC had considered the approach and methodology applied by Management to the valuation model in assessing the valuation of the inventories. The ARC reviewed the reasonableness of the allowance for inventory obsolescence assessed by Management which was reviewed by the external auditors, inventory aging records, historical trends, cost of inventories, net realisable value and enquired on the carrying amount against the selling price. The valuation of the inventories was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2021. Refer to page 57 of this Annual Report.
Valuation of Goodwill	The ARC has considered the approach and methodology applied to the value-in-use ("**VIU**") model in goodwill impairment assessment. The ARC reviewed the reasonableness of the Management's estimates and assumptions used in their VIU calculations on the cash generating units ("**CGU**") within the Group. The impairment review was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in its audit report for FY2021. Refer to page 58 of this Annual Report for the details on the CGUs.

Following the review and discussions, the ARC recommended to the Board to approve the full year financial statements.

The Company is in compliance with Rules 712, 715 and 716 of the SGX-ST Listing Manual in respect of the suitability of the auditing firms. The auditing firms of the Company and its subsidiaries are disclosed in Note 13 of the Notes to the Financial Statements as set out in this Annual Report.

The ARC noted there was no non-audit services provided by the external auditors to the Group for FY2021, and is satisfied with the independence of Moore Stephens LLP as the external auditors of the Company and has recommended the re-appointment of Moore Stephens LLP as external auditors for the ensuing year.

The ARC has been briefed by the external auditors on the new accounting standards. The Group has adopted all of the new or revised accounting standards that are effective for the financial period beginning 1 January 2021 and are relevant to its operations.

The ARC does not comprise former partners or directors of the Company's external auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The Company is committed to maintaining the best employment practices and the highest standards of openness, probity, accountability and corporate governance. The Company has put in place a whistle-blowing policy with well-defined and accessible channel for employees of the Group to voice concerns over malpractice of wrongdoing relating to the issuer and its officers within the Group in a responsible and effective manner (the "**Whistle-Blowing Policy**"). The Whistle-Blowing Policy defines the processes clearly to ensure independent investigation of such matters and permits whistle-blowers to report directly to the ARC Chairman.

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The Whistle-blowing Policy is intended to encourage the reporting of such matters in good faith, the person who has reported a suspicion of fraudulent activities or malpractices in good faith ("**whistle-blower**") shall be protected from any forms of harassment, retaliation, adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment. The identity of the whistle-blower will be kept confidential.

The ARC is in charge of overseeing the function and handling of matters being reported through the whistle-blowing system. The ARC reports to the Board on such matters at the Board meetings, or as and when necessary. The Group has designated an independent function to investigate whistle-blowing reports made in good faith. Once whistle-blowing is initiated, an investigation committee will be formed, and shall comprise of the independent committee members recommended by the Chairman of the AC, to carrying out the investigation with great care, sensitivity and timeliness, and to avoid "misleading or wrongful" conclusions or actions which might affect the evidence of the investigation or result in wrongful accusations of any party(ies).

The Group's internal audit function in FY2021 is outsourced to Nexia TS Risk Advisory Pte. Ltd. ("**Nexia TS**"). Nexia TS is a company of Nexia TS Public Accounting Corporation, which is recognised as an established mid-tier accounting firm for more than 26 years. Nexia TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The Internal Auditor reports directly to the Chairman of the ARC on audit matters and the CEO on administrative matters. The ARC approves the hiring, removal, evaluation and compensation of the head of the internal audit function or the accounting/auditing firm or corporation to which the internal audit function is outsourced. Nexia TS has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

The internal audit function is carried out based on the Nexia TS Internal Audit methodology which is consistent with the standards set by nationally or internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The ARC is satisfied that the internal audit function by Nexia TS (who is a member of the Singapore Institute of Internal Auditors) is adequately resourced and has appropriate standing within the Company. The internal audit function is also adequately staffed with persons with the relevant qualifications and experience.

The ARC, on an annual basis, assesses the effectiveness of the internal audit by examining the scope of the internal audit work and results of the areas reviewed, getting the appropriate confirmation that there was no observable material weakness during their internal audit review, the Internal Auditor's reports and recommendations, and Management's implementation of such recommendations.

The ARC meets with the external and internal auditors, without the presence of Management, for FY2021 to discuss these items and to confirm that the external and internal auditors have had the full co-operation of Management in carrying out the audit.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT
(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 11: Shareholder Rights and Conduct of Shareholder Meetings
Principle 12: Engagement with Shareholders
Principle 13: Engagement with Stakeholders

In line with its continuous disclosure obligations, the Group is committed to maintaining regular and proactive communication with shareholders. It is the Board's policy that shareholders are informed of all major developments that impact the Group, on a timely basis.

Information is communicated to shareholders on a timely basis and is made through:

(a) annual reports that are prepared and issued to all shareholders;

(b) financial statements containing a summary of the financial information and affairs of the Group for the year published through the SGXNet and the AIM Regulatory News Service ("**RNS**");

REPORT ON CORPORATE GOVERNANCE

(c) notices of and explanatory memoranda for annual and extraordinary general meetings;

(d) press releases on major developments of the Group; and

(e) the Company's website which provides, *inter alia*, corporate announcements, press releases, annual reports and profile of the Group at www.globalinvacom.com.

The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. As the authentication of shareholder identity information and other related security issues remain a concern, the Company has not amended its Constitution to allow voting in absentia at general meeting.

At the AGM or other general meetings, separate resolutions will be set out as distinct issues for approval by the shareholders. All resolutions will be put to vote by way of a poll, and the detailed results will be announced via SGXNet and RNS after the conclusion of the meeting.

The Company records the minutes of general meetings that include relevant and substantial comments from shareholders relating to the agenda of the meetings and responses from management. Such minutes will be available to shareholders upon their request.

In view of the COVID-19 situation, the forthcoming AGM to be held on 27 April 2022 will be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2021 (the "**Order**"). Alternative arrangements relating to the mode of publication of notice of AGM, despatch of annual report and proxy form, attendance at the AGM via electronic means, submission of questions to the Company in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM. In addition, the minutes of the AGM will be published within one month after the general meeting, in accordance with the requirements under the Order.

Shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings pursuant to the Alternate Meeting Arrangement Order and the relevant guideline issued by the SGX.

The Company does not have a fixed dividend policy. The form, frequency, and/or amount of dividends will depend on the Company's cash, earnings, gearings, financial performance and position, projected capital expenditure, future investment plans, funding requirements and any other factors that the Directors consider relevant. The Company will communicate any dividend payouts to shareholders via announcements released to SGX-ST via SGXNet and the AIM Market via RNS. Due to the operating conditions faced by the Group and to preserve cashflow, no dividend was declared for FY2021.

To better understand the views of shareholders and investors, the Company holds meetings with the investment community from time to time to discuss the Company's financial performance and corporate developments. However, in view of the current COVID-19 situation, the holding of meetings with the investment community is challenging. Nevertheless, the Company continue to provide update on the financial performance and corporate developments via SGXNet and RNS from time to time and to encourage communication with investors, the Company's annual reports and press releases provide Investor Relations contact information (email address and telephone number) as channels to address inquiries from shareholders and investors.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of the stakeholders.

REPORT ON CORPORATE GOVERNANCE

SECURITIES TRANSACTIONS

The Group has adopted an internal compliance code of conduct which provides guidance to Directors, officers and all employees with regards to dealing in the Company's securities. Directors, officers and all employees are reminded not to deal directly or indirectly in the Company's securities on short-term considerations and to be mindful of the law on insider trading. In addition, Directors, officers and employees are prohibited from dealing in securities of the Company one month before the release of the half-yearly results, two months before the release of the full year results, and at all times whilst in possession of price-sensitive information. The Group confirms that it has adhered to its policy for securities transactions for FY2021.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all interested person transactions ("**IPTs**") are submitted in a timely manner to the ARC for review on the rationale and the terms of the Group's IPTs to ensure that they are conducted at arm's length basis and will not be prejudicial to the interest of the Company and its minority shareholders.

There were no transactions with interested person falling within the definition of Chapter 9 of the Listing Manual of the SGX-ST.

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920 of the Listing Manual of the SGX-ST.

MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business, had been entered into by the Company and its subsidiaries involving the interest of any Executive Director, Non-Executive Director or controlling shareholder of the Company during FY2021.

RISK MANAGEMENT

Enterprise Risk Management ("**ERM**") is a process of systematically identifying major risks that confront an organisation, estimating the significance of those risks in business processes, addressing the risks in a consistent and structured manner and identifying key individuals responsible for managing critical risks within the scope of their responsibilities.

Each entity within the Group updates its own risk register quarterly and the risks are then collated by the Chief Risk Officer. The top ten operational and strategic risks facing the Group are then reviewed at every ARC meeting along with the associated key risk indicators and counter-measures. This process identifies existing and emerging risks and assigns specific personnel as risk owners.

In addition, Control Self Assessment ("**CSA**") checklists are updated quarterly by each entity. These checklists assess the operations of key internal controls identified during the internal audit. A summary of the CSA checklist status is reported at each ARC meeting.

The Group's financial risk management is described under Note 32 of the Notes to the Financial Statements as set out in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Group views the principles of Corporate Social Responsibility as an essential part of our business. The Group believes that all people are entitled to free, safe and healthy living and working environments. This commitment extends beyond the Group's employees and the communities in which the Group operates, to the Group's suppliers, business partners and customers. The Group works with its suppliers and business partners to ensure a safe working environment for the employees.

As a fully integrated satellite equipment and electronics manufacturing service provider, the Group seeks to be a sustainable and profitable organisation besides protecting the environment and society with like-minded business partners. As the Group further develops its business, it strives to continue to contribute to a sustainable and better world by focusing on the environment and the well-being of the community that it serves. More details can be found in the Sustainability Report for FY2021 as set out in this Annual Report.

REPORT ON CORPORATE GOVERNANCE

THE REQUIREMENTS UNDER RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST ARE SET OUT BELOW:

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
Date of appointment	23 September 2015	1 July 2021
Date of last re-appointment	24 April 2019	–
Age	52	56
Country of principal residence	Singapore	United Kingdom
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After assessing Mr Sim's experience and contribution, the Nominating Committee has recommended that Mr Sim be re-elected as Director of the Company.	After assessing Mr Blaikie's experience and contribution, the Nominating Committee has recommended that Mr Blaikie be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive, responsible for the manufacturing entities and sales functions of the Group, works closely with senior management team to strategise, streamline and improve the Group's operating performance.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director	Executive Director and Chief Operating Officer
Professional qualifications	Bachelor's degree in Commerce from the Murdoch University in Western Australia	Diploma in Production and Inventory Management Control from an institution in the United Kingdom
Working experience and occupation(s) during the past 10 years	Mr Sim is the founder and Chief Executive Officer of both I2 Capital Pte Ltd and CESK Capital Pte Ltd, specialising in investment and corporate advisory services, respectively. He currently serves on the boards of telecommunications company Oden Technology Pte Ltd and property investment firms Maximus Fortune Pte Ltd and ZACD Group Ltd, which is listed on the Hong Kong Stock Exchange. Mr Sim also founded the Plexus group of companies in 1997, which, under his leadership, became a regional electronics components distributor with 18 offices across Asia. Prior to founding his current companies, Mr Sim was the Group Managing Director and Chief Executive Officer of SGX Catalist-listed WE Holdings Ltd, acquired in 2011 through a reverse takeover of Westech Electronics Ltd by Plexus Components.	Mr Blaikie joined Global Invacom as Operations Director in July 2012 and was promoted to Chief Operating Officer in 2016, and as Executive Director on 1 July 2021. As the Group's Chief Operating Officer, he is responsible for the manufacturing entities and sales functions of the Group. He works closely with the Board of Directors and other members of the senior management team to strategise, streamline and improve the Group's operating performance. Mr Blaikie has 38 years of experience in manufacturing and operations and was previously the Operations Director for Amphenol, the world's leader in connector manufacturing in both aerospace and military products. Prior to joining Amphenol, he spent 20 years at Clairemont Electronics.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* including directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)		
Past (for the last 5 years)	Nil	• Global Invacom Group Limited subsidiaries
Present	• Global Invacom Group Limited • ZACD Group Ltd • Oden Technology Pte Ltd • I2 Capital Pte Ltd • Maximus Fortune Pte Ltd • CESK Capital Pte Ltd • FSK Advisory Pte Ltd • Legend Property Pte Ltd • K2C Capital Pte Ltd	• Global Invacom Group Limited and its subsidiaries
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or government body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No	No
(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere;	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of person	Kenny Sim Mong Keang	Gordon Blaikie
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange?	NA. This relates to re-appointment of Director.	NA. This relates to re-appointment of Director.
If yes, please provide details of prior experience.	NA	NA
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	NA	NA
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	NA	NA

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Global Invacom Group Limited ("Global Invacom" or the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 Directors

The directors of the Company in office at the date of this statement are:

Anthony Brian Taylor	Executive Chairman	
Gordon Blaikie	Executive Director	(Appointed on 1 July 2021)
John Lim Yew Kong	Lead Independent Director	
Cosimo Borrelli	Independent Director	
Wayne Robert Porritt	Independent Director	
Kenny Sim Mong Keang	Non-Executive Director	

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Except for the Global Invacom Share Option Scheme 2013, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares and Debentures

(a) As recorded in the register of directors' shareholdings under Section 164 of the Singapore Companies Act 1967 (the "Act"), none of the directors holding office at the end of the financial year had any interest in the shares of the Company and its related corporations, except as follows:

	Direct Interest		Deemed Interest	
	1.1.2021	**31.12.2021**	**1.1.2021**	**31.12.2021**
The Company				
(No. of ordinary shares)				
Anthony Brian Taylor	11,139,702	11,139,702	–	–
John Lim Yew Kong	15,000	15,000	–	–
Cosimo Borrelli	–	–	497,900	497,900

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

DIRECTORS' STATEMENT

3 **Directors' Interests in Shares and Debentures** (cont'd)

(b) According to the register of directors' shareholdings, the following directors holding office at the end of the financial year had options to subscribe for ordinary shares of the Company granted pursuant to the 2013 Scheme as set out below and as in Note 4 of this report.

	Number of unissued ordinary shares under options held by director		
	1.1.2021	**31.12.2021**	**21.1.2022**
Anthony Brian Taylor	3,780,000	3,780,000	3,780,000
Gordon Blaikie	2,194,000	2,194,000	2,194,000

For details, please refer to "Share Options – Global Invacom Share Option Scheme 2013" in Note 4 of this report.

4 **Share Options – Global Invacom Share Option Scheme 2013**

The Global Invacom Share Option Scheme 2013 (the "2013 Scheme") was approved and adopted by the shareholders at an Extraordinary General Meeting held on 17 September 2013 and renewed at an Annual General Meeting held on 28 April 2021. The 2013 Scheme replaced the Global Invacom Group Employee Share Option Scheme of the Group which was adopted on 15 June 2012 (the "2012 Scheme") and the Enterprise Management Incentive Share Option Scheme (the "EMI Scheme").

The Remuneration Committee administering the 2013 Scheme comprises directors, Messrs Wayne Robert Porritt (Chairman of the Remuneration Committee), Cosimo Borrelli and John Lim Yew Kong.

The 2013 Scheme forms an integral and important component of the employee compensation plan, which is designed to primarily reward and retain executive directors, non-executive directors and employees of the Group whose services are integral to the success and the continued growth of the Group.

Principal Terms of the 2013 Scheme

(a) Participants

Under the rules of the 2013 Scheme, executive and non-executive directors (including independent directors) and employees of the Group, who are not controlling shareholders or their associates, are eligible to participate in the 2013 Scheme.

(b) Size of the 2013 Scheme

The aggregate number of shares over which the Remuneration Committee may grant options on any date, when added to the number of shares issued and issuable in respect of all options granted under the 2013 Scheme, shall not exceed 15% of the issued shares of the Company on the day preceding that date.

(c) Options, Exercise Period and Exercise Price

The options that are granted under the 2013 Scheme may have exercise prices that are, at the Remuneration Committee's discretion, set at a price (the "Market Price") equal to the weighted average share price of the shares for the 5 consecutive Market Days immediately preceding the relevant date of grant of the option or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price ("Market Price Option") may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price ("Discounted Option") may only be exercised after the second anniversary from the date of grant of the options. Options granted under the 2013 Scheme to all employees (including executive directors) and non-executive directors will have a life span of 10 and 5 years respectively.

DIRECTORS' STATEMENT

4 Share Options – Global Invacom Share Option Scheme 2013 (cont'd)

Principal Terms of the 2013 Scheme (cont'd)

(d) Grant of Options

Under the rules of the 2013 Scheme, there are no fixed periods for the grant of options during the options life span. As such, offers for the grant of options may be made at any time at the discretion of the Remuneration Committee.

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(e) Termination of Options

Special provisions in the rules of the 2013 Scheme deal with the lapse or earlier exercise of options in circumstances which include the termination of the participant's employment by the Group, the bankruptcy of the participant, the death of the participant, a take-over of the Company and the winding-up of the Company.

(f) Acceptance of Options

The grant of options shall be accepted within 30 days from the date of offer. Offers of options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay the Company a consideration of S$1.00.

(g) Duration of the 2013 Scheme

The 2013 Scheme shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Options Granted

No options were granted during the financial year ended 31 December 2021. As at the end of the financial year, the details of the options granted pursuant to the 2013 Scheme are as follows:

Date of grant of options	Exercise price S$	Options outstanding as at 1.1.2021	Options granted	Options exercised	Options lapsed	Options outstanding as at 31.12.2021	Number of option holders as at 31.12.2021	Exercising period
7.7.2013	0.17	1,267,000	–	–	–	1,267,000	2	(1)
7.7.2013	0.17	1,267,000	–	–	–	1,267,000	2	(2)
22.6.2015	0.311	2,045,000	–	–	–	2,045,000	5	(3)
22.6.2015	0.311	2,045,000	–	–	–	2,045,000	5	(4)
9.3.2016	0.12	975,000	–	–	–	975,000	5	(5)
9.3.2016	0.12	975,000	–	–	–	975,000	5	(6)

DIRECTORS' STATEMENT

4 **Share Options – Global Invacom Share Option Scheme 2013** (cont'd)

Options Granted (cont'd)

(1) The options granted to employees, including a director, have an exercising period of 7 years commencing from 7 July 2016 to 6 July 2023.

(2) The options granted to employees, including a director, have an exercising period of 6 years commencing from 7 July 2017 to 6 July 2023.

(3) The options granted to employees, including 2 directors, have an exercising period of 9 years commencing from 22 June 2016 to 21 June 2025.

(4) The options granted to employees, including 2 directors, have an exercising period of 8 years commencing from 22 June 2017 to 21 June 2025.

(5) The options granted to employees have an exercising period of 8 years commencing from 9 March 2018 to 8 March 2026.

(6) The options granted to employees have an exercising period of 7 years commencing from 9 March 2019 to 8 March 2026.

The above options granted under the 2012 Scheme continue to be effective and exercisable according to the terms and conditions of the 2013 Scheme.

Except as disclosed, there were:

(a) no options granted to take up unissued shares of the Company or its subsidiaries during the financial year;

(b) no shares of the Company and its subsidiaries issued by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries during the financial year; and

(c) no unissued shares of the Company or its subsidiaries under options at the end of the financial year.

Details of options granted to the directors of the Company are as follows:

	Options granted for the financial year ended 31.12.2021	Aggregate granted since commencement of the 2013 Scheme to 31.12.2021	Aggregate exercised since commencement of the 2013 Scheme to 31.12.2021	Aggregate options outstanding as at 31.12.2021
Anthony Brian Taylor	–	3,780,000	–	3,780,000
Gordon Blaikie	–	2,194,000	–	2,194,000

Except as disclosed, no share options have been granted to the controlling shareholders of the Company or their associates and its subsidiaries and no other participant has received 5% or more of the total number of share options available under the 2013 Scheme. The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company. No options have been granted at a discount.

DIRECTORS' STATEMENT

5 Performance Share Plan – Global Invacom Performance Share Plan 2013

The Global Invacom Performance Share Plan 2013 (the "Global Invacom PSP") was approved and adopted by the shareholders at an Extraordinary General Meeting held on 17 September 2013 and renewed at an Annual General Meeting held on 28 April 2021. The primary objectives of the Global Invacom PSP are to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff.

The Remuneration Committee administering the Global Invacom PSP comprises directors, Messrs Wayne Robert Porritt (Chairman of the Remuneration Committee), Cosimo Borrelli and John Lim Yew Kong. The Global Invacom PSP shall continue in force, at the discretion of the Remuneration Committee, subject to a maximum of 10 years commencing from 17 September 2013. Any awards of shares granted pursuant to the rules of the Global Invacom PSP ("Award") made to participants prior to such expiry or termination will continue to remain valid.

Principal Terms of the Global Invacom PSP

(a) Participants

Under the rules of the Global Invacom PSP, executive and non-executive directors (including independent directors) and employees of the Group, who are not controlling shareholders or their associates, are eligible to participate.

(b) Size of the Global Invacom PSP

The aggregate number of shares over which Awards may be granted under the Global Invacom PSP, when added to the number of shares issued and/or issuable in respect of (i) all Awards granted thereunder; (ii) all options granted under the 2013 Scheme; and (iii) all Awards/options granted under any other schemes implemented by the Company (if any) shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares) on the day preceding the relevant Award date.

(c) Grant of Awards

Under the rules of the Global Invacom PSP, there are no fixed periods for the grant of Awards. As such, offers for the Awards may be made at any time at the discretion of the Remuneration Committee. In considering an award to be granted to a participant, the Remuneration Committee may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

(d) Vesting Period

Awards will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the Awards. No minimum vesting periods are prescribed under the Global Invacom PSP, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis.

(e) Termination of the Global Invacom PSP

Special provisions in the rules of the Global Invacom PSP deal with the lapse or earlier vesting of the Awards in circumstances which include the termination of the participant's employment by the Group, the bankruptcy of the participant, the death of the participant, a take-over of the Company and the winding-up of the Company.

(f) Duration of the Global Invacom PSP

The Global Invacom PSP shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

DIRECTORS' STATEMENT

5 Performance Share Plan – Global Invacom Performance Share Plan 2013 (cont'd)

Share Awards Granted

No share awards were granted during the financial year ended 31 December 2021. As at the end of the financial year, the details of share awards granted to the director pursuant to the Global Invacom PSP are as follows:

	Shares awarded for the financial year ended 31.12.2021	**Aggregate shares awarded since commencement of the Global Invacom PSP to 31.12.2021**
John Lim Yew Kong	–	15,000

6 Audit and Risk Committee

The Audit and Risk Committee (the "ARC") comprises all non-executive directors. The members of the ARC are:

John Lim Yew Kong (Chairman)
Cosimo Borrelli
Wayne Robert Porritt

The ARC carried out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the revised Code of Corporate Governance, which includes the following:

(a) Reviews the audit plans of the external and internal auditors of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

(b) Reviews the half-yearly and full year announcements on financial performance, annual financial statements and the auditors' report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

(c) Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls via reviews carried out by the internal auditors;

(d) Meets with the external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

(e) Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(f) Reviews the cost effectiveness and the independence and objectivity of the external auditors;

(g) Reviews the compensation, nature and extent of non-audit services provided by the external auditors;

(h) Recommends to the Board of Directors the external auditors to be nominated and reviews the scope and results of the audit;

(i) Reports actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate;

(j) Reviews interested person transactions in accordance with the requirements of the SGX-ST Listing Manual;

(k) Reviews the risks identified by the Enterprise Risk Management process and the effectiveness of the Company's management of risks;

DIRECTORS' STATEMENT

6 **Audit and Risk Committee** (cont'd)

(l) Reviews whistle-blowing reports (if any); and

(m) Undertakes such other functions and duties as may be agreed to by the ARC and the Board of Directors.

Further details regarding the ARC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

The ARC has recommended to the Board of Directors the nomination of Moore Stephens LLP for their appointment as independent auditors of the Company at the forthcoming Annual General Meeting.

7 **Independent Auditors**

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

ANTHONY BRIAN TAYLOR
Director

GORDON BLAIKIE
Director

Singapore
11 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Invacom Group Limited

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Global Invacom Group Limited (the "Company") and its subsidiaries (collectively the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	**How our audit addressed the key audit matters**
<u>Valuation of inventories</u> We refer to Note 3(n) under "Significant Accounting Policies" and Note 4(a)(i) under "Critical judgements in applying accounting policies" and Note 19 to the consolidated financial statements. Inventories make up 33.1% of the Group's total assets and are stated at the lower of cost and net realisable value. Reviews are made periodically by management for excess inventories, obsolescence and decline in net realisable value below cost. This assessment requires the exercise of significant judgement as the allowances are made based on historical obsolescence and slow-moving history. Key factors considered include the nature of the inventory, its ageing, shelf life and turnover rate.	<u>Our response:</u> We reviewed inventory aging records and historical trends on whether there were significant inventories written off or reversal of allowances for inventory obsolescence. We performed testing on the cost of inventories to assess whether inventories are stated at the lower of cost and net realisable value. We reviewed and evaluated management's assessment of the allowance for inventory obsolescence by observing the condition of the inventories during the inventory count and verifying subsequent sales. Subsequent selling prices are compared against the carrying amounts of the inventories at the reporting date. <u>Our findings:</u> We found that management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Invacom Group Limited

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the key audit matters
Valuation of goodwill We refer to Note 3(d) under "Significant Accounting Policies" and Note 4(b)(ii) under "Key sources of estimation uncertainty" and Note 14 to the consolidated financial statements. The Group has goodwill of US$0.9 million and US$5.2 million allocated to OnePath Networks Limited and Satellite Acquisition Corporation cash-generating units ("CGUs") as at 31 December 2021. These CGUs are tested for impairment annually. Management applies the value in use ("VIU") method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts are recognised as an impairment loss. The recoverable amount is determined based on estimates of forecasted revenue, growth rates, profit margins and discount rates. These estimates require significant judgement and the determination of the recoverable amount is a key focus area for our audit.	Our response: Our audit procedures focused on evaluating the key assumptions used by management in conducting the impairment review. We assessed management's estimates applied in the VIU model based on our knowledge of the CGUs' operations and compared them against historical forecast and performance and industry benchmarks. This included obtaining an understanding of management's planned strategies, revenue growth strategies and cost initiatives, negotiations with target customers, and the review of secured and lost contracts. We also performed a sensitivity analysis by changing the key assumptions used in the VIU calculations and assessed the impact to the recoverable amount of the CGUs. Our findings: We found that the estimates and assumptions used in management's assessment of the VIU calculations to be relevant and reasonable based on available audit evidence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Invacom Group Limited

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Global Invacom Group Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
11 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000
Revenue	5	82,541	103,058
Cost of sales		(65,991)	(77,353)
Gross profit		16,550	25,705
Other income		5,485	2,224
Distribution costs		(368)	(182)
Administrative expenses		(15,918)	(18,020)
Research and development expenses		(4,996)	(4,969)
Other operating expenses		(263)	(894)
Finance income	6	1	22
Finance costs	7	(519)	(762)
(Loss)/Profit before income tax	8	(28)	3,124
Income tax credit/(expense)	9	586	(515)
Profit for the year		558	2,609
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of foreign subsidiaries		(120)	253
Other comprehensive (loss)/income for the year, net of tax		(120)	253
Total comprehensive income for the year		438	2,862
Profit/(Loss) for the year attributable to:			
Equity holders of the Company		561	2,614
Non-controlling interests		(3)	(5)
		558	2,609
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		441	2,867
Non-controlling interests		(3)	(5)
		438	2,862
Earnings per share attributable to the equity holders of the Company (cents)			
– Basic	10	0.21	0.96
– Diluted	10	0.21	0.96

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
ASSETS					
Non-current Assets					
Property, plant and equipment	11	8,126	9,410	20	82
Right-of-use assets	12	4,396	6,340	39	162
Investments in subsidiaries	13	–	–	25,375	27,102
Goodwill	14	6,092	6,092	–	–
Intangible assets	15	1,698	2,291	–	–
Other financial assets	16	–	8	–	–
Deferred tax assets	17	1,780	1,363	–	–
Other receivables and prepayments	21	54	54	11,032	10,563
		22,146	25,558	36,466	37,909
Current Assets					
Due from subsidiaries	18	–	–	3,265	4,045
Inventories	19	25,764	26,816	–	–
Trade receivables	20	13,772	10,689	–	–
Other receivables and prepayments	21	5,302	2,033	2,588	3,513
Tax receivables		169	–	–	–
Cash and cash equivalents	22	10,771	11,273	155	150
		55,778	50,811	6,008	7,708
Total assets		77,924	76,369	42,474	45,617
EQUITY AND LIABILITIES					
Equity					
Share capital	23	60,423	60,423	74,240	74,240
Treasury shares	23	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	24	(11,383)	(11,824)	(30,462)	(28,302)
Equity attributable to owners of the Company		47,384	46,943	42,122	44,282
Non-controlling interests		(19)	(16)	–	–
Total equity		47,365	46,927	42,122	44,282
Non-current Liabilities					
Other payables	25	152	124	–	–
Lease liabilities	27	3,088	4,848	–	39
Deferred tax liabilities	17	646	634	–	–
		3,886	5,606	–	39
Current Liabilities					
Due to subsidiaries	18	–	–	1	835
Trade payables		14,479	12,509	–	–
Other payables	25	4,447	5,589	313	333
Borrowings	26	6,120	3,883	–	–
Lease liabilities	27	1,627	1,854	38	128
Provision for income tax		–	1	–	–
		26,673	23,836	352	1,296
Total liabilities		30,559	29,442	352	1,335
Total equity and liabilities		77,924	76,369	42,474	45,617

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company										
	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
Group											
Balance at 1 January 2021	60,423	(1,656)	(10,150)	6	725	(5,109)	(964)	3,668	46,943	(16)	46,927
Profit/(Loss) for the year	–	–	–	–	–	–	–	561	561	(3)	558
Other comprehensive income:											
Exchange differences on translating foreign operations	–	–	–	–	–	–	(120)	–	(120)	–	(120)
Total other comprehensive (loss)/income for the year	–	–	–	–	–	–	(120)	561	441	(3)	438
Balance at 31 December 2021	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,084)	4,229	47,384	(19)	47,365
Balance 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 year	–	–	–	–	–	–	–	2,614	2,614	(5)	2,609
Other comprehensive income:											
Exchange differences on translating foreign operations	–	–	–	–	–	–	253	–	253	–	253
Total other comprehensive income/(loss) for the year	–	–	–	–	–	–	253	2,614	2,867	(5)	2,862
Balance at 31 December 2020	60,423	(1,656)	(10,150)	6	725	(5,109)	(964)	3,668	46,943	(16)	46,927

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	Group 2021 US$'000	Group 2020 US$'000
Cash Flows from Operating Activities			
(Loss)/Profit before income tax		(28)	3,124
Adjustments for:			
Depreciation of property, plant and equipment		1,903	2,649
Amortisation of intangible assets		591	789
Depreciation of right-of-use assets		1,864	2,264
Gain on disposal of property, plant and equipment		(1,143)	(424)
Write-back of inventory obsolescence, net		(738)	(3,210)
Impairment loss on trade receivables		–	309
Impairment loss on other financial assets		8	–
Unrealised exchange loss		184	315
Interest income		(1)	(22)
Interest expense		519	762
Inventory written off		–	2,663
Bad debts written back		(96)	–
Gain on lease modifications		(63)	–
Write-back of payables		(880)	–
Waiver of loan	26	–	(1,472)
Operating cash flow before working capital changes		2,120	7,747
Changes in working capital:			
Inventories		1,790	(474)
Trade receivables		(5,680)	8,846
Other receivables and prepayments		3	(465)
Trade and other payables		1,382	(5,188)
Cash (used in)/generated from operating activities		(385)	10,466
Interest paid		(150)	(398)
Income tax paid		(2)	(480)
Net cash (used in)/generated from operating activities		(537)	9,588
Cash Flows from Investing Activities			
Interest received		1	22
Purchase of property, plant and equipment	11	(1,063)	(1,976)
Proceeds from disposal of property, plant and equipment		784	479
Net cash used in investing activities		(278)	(1,475)
Cash Flows from Financing Activities			
Proceeds from borrowings	26	34,764	44,816
Repayment of borrowings	26	(32,527)	(48,390)
Principal payment of lease liabilities	27	(1,942)	(2,217)
Net cash generated from/(used in) financing activities		295	(5,791)
Net (decrease)/increase in cash and cash equivalents		(520)	2,322
Cash and cash equivalents at the beginning of the year		11,273	8,912
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		18	39
Cash and cash equivalents at the end of the year	22	10,771	11,273

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements:

1 General

Global Invacom Group Limited (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company is also listed on the AIM Market of the London Stock Exchange ("AIM") in the United Kingdom (UK). The registered address of the Company and the principal place of business is at 8 Temasek Boulevard, #18-02A Suntec Tower Three, Singapore 038988.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary companies are set out in Note 13.

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") SFRS(I)

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs

For the financial year ended 31 December 2021, the Group has adopted the following new and revised IFRS which is relevant to the Group and mandatory for application:

<u>Amendment to IFRS 16 – Leases – COVID-19 Related Rent Concessions</u>

The amendment provides a practical expedient to simplify the accounting for lease concessions that meet specified criteria. This expedient provides lessees with an option to account for such concessions as if they are not lease modifications, regardless of whether they qualify as such.

The adoption of this standard does not have an impact on the financial performance or the financial position of the Group for the current financial year ended 31 December 2021.

<u>Amendments to SFRS(I) 9, SFRS(I) 7 and SFRS(I) 16 – Interest Rate Benchmark Reform – Phase 2</u>

In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

Hedge relationships

The Phase 2 amendments address issues arising during interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in cash flow hedge reserve should be recognised in profit or loss.

The Group does not have any hedges.

Financial instruments measured at amortised cost

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities (see below).

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") SFRS(I) (cont'd)

(a) Application of new and revised SFRS(I)s and SFRS(I) INTs (cont'd)

For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform. If lease modifications are made in addition to those required by IBOR reform, the Group applies the relevant IFRS 16 requirements to account for the entire lease modification, including those changes required by IBOR reform.

For the year ended 31 December 2021, the Group has applied the practical expedients provided under Phase 2 to amendments to US$6,120,000 of its long-term debt, as disclosed in Note 26 and US$4,715,000 of its lease liabilities, as disclosed in Note 27 as at 31 December 2021.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement inter-bank offered rates ("IBOR") has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate bank loans that are linked to the LIBOR.

LIBOR loses its representativeness after 30 June 2023. The Group has variable rate USD bank loans which references to LIBOR and matures after 30 June 2023. The expected transition from LIBOR to the Secured Overnight Financing Rate (SOFR) had no effect on the amounts reported for the current and prior financial years.

The following table contains details of all the financial instruments that the Group holds at 31 December 2021 which are referenced to LIBOR and have not yet transitioned to new benchmark rates:

	LIBOR	
	Carrying Amount US$'000	**Of which: Not yet transited to an alternative benchmark rate US$'000**
Group		
31 December 2021		
Borrowings	6,120	540
Lease liabilities	4,715	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") SFRS(I) (cont'd)

(b) SFRS(I) and SFRS(I) INTs issued but not yet effective

At the date of authorisation of these financial statements, the following standards have been issued and are relevant to the Group and Company but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16: *COVID-19 Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to: • SFRS(I) 3: *Business Combinations* *(Reference to the Conceptual Framework)* • SFRS(I) 1-16: *Property, Plant and Equipment* *(Proceeds before Intended Use)* • SFRS(I) 1-37: *Provisions, Contingent Liabilities and Contingent Assets* *(Onerous Contracts – Cost of Fulfilling a Contract)* • Annual Improvements to SFRS(I)s Standards 2018-2020	1 January 2022
Amendments to: • SFRS(I) 1-1: Presentation of Financial Statements *(Classification of Liabilities as Current or Non-current)* • SFRS(I) 1-1: Presentation of Financial Statements and SFRS(I) *Practice Statement 2 (Disclosure of Accounting Policies)* • SFRS(I) 1-8: Accounting Policies, Changes in Accounting Estimates and Errors *(Definition of Accounting Estimates)* • SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to: • SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investment in Associates and Joint Ventures *(Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*	To be determined

The Directors do not expect that the adoption of these new and revised standards above will have a material impact on the financial statements in the period of initial application.

3 Significant Accounting Policies

(a) Basis of Preparation

The financial statements for the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2021 and its comparatives have been prepared in accordance with the Singapore Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs"). SFRS(I), issued by the Accounting Standards Council ("ASC"), comprises standards and interpretations that are equivalent to IFRSs as issued by the International Accounting Standards Board ("IASB"). All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

The financial statements, which are expressed in United States Dollar ("US$"), are rounded to the nearest thousand (US$'000), except as otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(a) Basis of Preparation (cont'd)

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the reporting date, and the reported amounts of revenues and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in Note 4 "Critical accounting judgements and key sources of estimation uncertainty".

(b) Consolidation

i. Subsidiaries

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group companies and are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 **Significant Accounting Policies** (cont'd)

(b) **Consolidation** (cont'd)

ii. Acquisition of subsidiaries and businesses

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(1)3.

The consideration transferred for the acquisition of a subsidiary or business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with SFRS(I) 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

iii. Change in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(b) Consolidation (cont'd)

iv. Disposal of subsidiaries or businesses

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Investment in Subsidiary Companies

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company. On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(d) Goodwill

Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net fair value of the investee's identifiable assets and liabilities.

Following initial recognition, goodwill is measured at cost less any impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount (including the goodwill), an impairment loss is recognised. The recoverable amount of a cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and value in use. Impairment loss on goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

(e) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of satellite communications equipment

The Group provides a full range of antennas, low noise block receivers, fibre distribution equipment, transmitters, transceivers, switches and video distribution components and electronics manufacturing services in satellite communications as well as manufacturing services in military, medical, and consumer electronics industries. As a result of the unique nature of the Group's products, revenue is largely recognised at a point in time rather than over time.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 **Significant Accounting Policies** (cont'd)

(e) **Revenue Recognition** (cont'd)

Sale of satellite communications equipment (cont'd)

Revenue is recognised when the control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the manner of distribution and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has the objective evidence that all criteria for acceptance have been satisfied. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract liability includes "Customers advances received" as disclosed in Note 25. A receivable is recognised when the goods are delivered, as this represents the point in time that the right to consideration is unconditional, because only the passage of time is required before the payment is due.

Rights of return

It is the Group's policy to sell its goods to the end customers with 12 to 24 months right of return. Therefore, a right to the returned goods is recognised in relation to satellite communications equipment expected to be returned. Accumulated experience is used to estimate the numbers of returns at the time of sale at a portfolio level using the expected value method. Because the level of product returns has been consistent over previous years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of the assumption and the estimated amount of returns are reassessed at each reporting date.

Sales-related warranties associated with the satellite communications equipment cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for these warranties in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with its previous accounting treatment.

(f) **Leases**

i **When the Group is the lessee**

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(f) Leases (cont'd)

i When the Group is the lessee (cont'd)

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

(g) Functional and Foreign Currencies

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the financial performance and financial position of each group entity are expressed in United States Dollars ("US$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(g) Functional and Foreign Currencies (cont'd)

Transactions and balances

In preparing the financial statements of the individual group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities are translated at the closing rate at the reporting date;

– income or expense for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

– all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(h) Borrowings

Borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(h) Borrowings (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date.

(i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All other borrowing costs are recognised in profit or loss in the period using the effective interest method in which they are incurred.

(j) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans (including state-managed retirement benefit schemes) are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly before 12 months after the end of the annual reporting period is recognised for services rendered by employees up to the end of the reporting period.

Employee share options

– *Equity-settled share options*

The cost of equity-settled share options with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

The fair value determined at the grant date of the equity-settled options is recognised as an expense of employee share options in profit or loss with a corresponding increase in the share options reserve over the vesting period, based on the Company's estimate of shares that will eventually vest. Where the vesting conditions of a share-based compensation plan is not met, it shall be considered as forfeiture. The expense shall be revised to reflect the best available estimate of the number of equity instruments expected to vest. The employee share option reserve is transferred to retained profits upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(j) Employee Benefits (cont'd)

Employee share options (cont'd)

– *Cash-settled share options*

The cost of cash-settled share options is measured initially at fair value at the grant date taking into account the terms and conditions upon which the options were granted. This fair value is expensed over the vesting period with the recognition of a corresponding liability. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss.

– *Group cash-settled share-based payment transactions*

If an entity in the Group is settling a share-based payment transaction, when another entity in the Group receives the goods or services, it shall recognise the transaction as an equity-settled share-based payment transaction only when it is settled in the entity's own equity instruments. Otherwise, the share-based payment transaction shall be recognised as a cash-settled share-based payment transaction.

Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(k) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(k) Income Tax (cont'd)

Deferred tax (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

Current and deferred tax for the period

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

(l) Property, Plant and Equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment acquired with individual values under US$1,000 are not capitalised, they are recognised as an expense in the statement of comprehensive income.

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 **Significant Accounting Policies** (cont'd)

(l) **Property, Plant and Equipment** (cont'd)

Depreciation is calculated on the straight-line basis to write off the cost of property, plant and equipment over the estimated useful lives of the assets as follows:

Freehold property	–	20 years
Machinery and equipment	–	3 to 10 years
Furniture, fittings and equipment	–	3 to 10 years
Motor vehicles	–	3 to 10 years
Renovations	–	1 to 5 years

Included in freehold property is freehold land which has an unlimited useful life and therefore is not depreciated.

The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(m) **Intangible Assets**

Research and development expenditure

Research expenditure is recognised in operating expenses in profit or loss as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Group has the ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expenses as incurred.

Capitalised development costs

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) management intends to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of 5 years from the date that the product is brought into first use. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(m) Intangible Assets (cont'd)

Trading name

Trading name is measured initially at cost. Following initial recognition, trading name is measured at cost less any impairment losses. Trading name is assessed as having an indefinite useful life as there is no foreseeable limit to the period over which the trading name is expected to generate economic benefits to the Group, including market presence and trading contacts. The indefinite useful life is reviewed annually to ensure the useful life assessment continues to be supportable.

Trading name is reviewed for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the trading name relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment loss on trading name is not reversed in a subsequent period.

Intellectual property rights

Intellectual property rights (comprising granted patents and patents pending) are measured initially at cost. Following initial recognition, intellectual property rights are measured at cost less accumulated amortisation and any accumulated impairment losses. Intellectual property rights are amortised on a straight line basis over a period of 10 years from the date that the patent is granted.

The useful life and amortisation method are reviewed annually to ensure that the method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the intellectual property rights.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value.

For satellite communications inventories which consist of finished goods held for sale, cost is determined on a first-in, first-out ("FIFO") basis. For contract manufacturing inventories, cost is determined on a weighted average basis, which include the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, the cost of work-in-progress and finished goods comprises raw materials, direct labour and related production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale. Allowance is made for obsolete and slow-moving items.

(o) Financial Assets

i. Classification

(a) Debt instruments

Financial assets that are debt instruments comprise mainly of cash and cash equivalents, trade and other receivables, and investments in debt securities. The Group classifies these assets into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost ("AC") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 **Significant Accounting Policies** (cont'd)

(o) **Financial Assets** (cont'd)

i. Classification (cont'd)

(a) Debt instruments (cont'd)

The Group's financial assets measured at amortised cost comprise trade receivables (Note 20), other receivables (Note 21) and cash and cash equivalents (Note 22) in the consolidated statement of financial position.

- Financial Assets measured at Fair Value through Other Comprehensive Income ("FVOCI") comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.

- Financial Assets measured at Fair Value through Profit or Loss ("FVPL") comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

(b) Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

ii. Initial Measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition. Transaction costs of financial assets at FVPL are expensed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

iii. Subsequent Measurement

(a) Debt instruments

Amortised cost

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit or loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit or loss. Any remaining fair value movements are recorded in OCI.

FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit or loss.

(b) Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit or loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit or loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

iv. Impairment

At each reporting date, the Group assesses expected credit losses ("ECL") on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI;
- Contract assets (as defined in SFRS(I) 15); and
- Financial guarantee contracts.

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 **Significant Accounting Policies** (cont'd)

(o) Financial Assets (cont'd)

iv. Impairment (cont'd)

Simplified approach – Trade receivables

For all trade receivables, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- Events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- The financial instrument has become overdue in excess of 60 days.

Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the borrower;
– a breach of contract such as a default or past due event;
– other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
– increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; and
– the disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(o) Financial Assets (cont'd)

v. Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit or loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of retained profits. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained profits upon derecognition of FVOCI equity investments.

(p) Impairment of Non-financial Assets

Non-financial assets (excluding goodwill and intangible assets with indefinite useful lives) are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(p) Impairment of Non-financial Assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(q) Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(s) Financial Guarantees

The Company has issued corporate guarantees to banks for borrowings and facilities of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's statement of financial position. Intra-group transactions with regards to the financial guarantees are eliminated on consolidation.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management who are responsible for allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

3 Significant Accounting Policies (cont'd)

(u) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above less bank deposits pledged as security.

(v) Trade and Other Payables

Trade and other payables, which are normally settled on 30 to 90 day terms, are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method. They are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in consolidated income statement.

(w) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(x) Dividends to Company's Shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(y) Treasury Shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or re-issued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of the earnings of the Company.

When treasury shares are subsequently sold or re-issued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or re-issue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

(z) Government Grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical Judgements in Applying Accounting Policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below.

(i) Allowance for inventory obsolescence

Reviews are made periodically by management in respect of inventories for excess inventories, obsolescence and decline in net realisable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving experiences.

The Group has wrote-back an allowance for inventory obsolescence of US$738,000 for the financial year ended 31 December 2021 (2020: US$3,210,000) (Note 8). No inventories were written off during the year (2020: US$2,663,000). The carrying amount of the Group's inventories as at 31 December 2021 was US$25,764,000 (2020: US$26,816,000) (Note 19).

(ii) Loss allowance for receivables

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 3(o). This assessment is based on the credit history of its customers and other debtors and the current market condition. Provisions are made where events or changes in circumstances indicate that the receivables may not be collectible and this requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the receivables and impairment is recognised in the period in which such estimate has been changed.

No allowance was made on trade receivables (2020: US$309,000) and no allowance was made on other receivables (2020: US$ Nil) during the financial year ended 31 December 2021. The carrying amount of the Group's trade and other receivables is disclosed in Note 20 and 21. The information about the expected credit losses ("ECLs") on the Group's trade and other receivables is disclosed in Note 20, 21 and 33(b) and separately assessed for recoverability as set out in Note 32(b).

The Group's and the Company's credit risk exposure for trade receivables and other receivables by different revenue segments are set out in Note 32(b).

(iii) Capitalised development costs

Management determines the amount of development costs to be recognised as intangible assets at each reporting date. In making their judgement, management has considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Group in accordance with the Group's accounting policy stated in Note 3(m).

No impairment of capitalised development costs was made for the financial year ended 31 December 2021 and 2020 (Note 15). The carrying amount of the Group's capitalised development costs as at 31 December 2021 was US$67,000 (2020: US$374,000) (Note 15).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(a) Critical Judgements in Applying Accounting Policies (cont'd)

(iv) Impairment loss on property, plant and equipment

The Group assesses whether there are any indicators of impairment for all property, plant and equipment as at each reporting date. Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and value in use.

No impairment loss on property, plant and equipment was made during the financial year ended 31 December 2021 and 2020. The carrying amount of property, plant and equipment is disclosed in Note 11.

(b) Key Sources of Estimation Uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1 to 20 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2021 was US$8,126,000 (2020: US$9,410,000) (Note 11). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual value of these property, plant and equipment, which management assesses annually and if the expectation differs from the original estimate, such difference will impact the depreciation in the period in which such an estimate has been changed.

A 10% difference in the depreciation on property, plant and equipment from management's estimate will decrease/increase the Group's profit/(loss) for the year by approximately US$190,000 (2020: US$265,000).

(ii) Impairment loss on goodwill

Goodwill arising from acquisition of subsidiaries is tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the goodwill on consolidation as at 31 December 2021 was US$6,092,000 (2020: US$6,092,000) (Note 14).

No impairment loss was recognised for the goodwill arising from acquisition of subsidiaries during the financial year ended 31 December 2021 as the relevant recoverable amounts were in excess of the respective carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

4 **Critical Accounting Judgements and Key Sources of Estimation Uncertainty** (cont'd)

(b) Key Sources of Estimation Uncertainty (cont'd)

(iii) Impairment loss on investments in subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investments in subsidiaries. The recoverable amounts of the investments in subsidiaries are reviewed at the end of each reporting period to determine whether there is any indication that the investments in subsidiaries has suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use.

The Company made an impairment loss on investments in subsidiaries of US$1,727,000 (2020: US$484,000) during the financial year ended 31 December 2021. The carrying amount of investments in subsidiaries is disclosed in Note 13. The impairment loss has no impact on the consolidated financial statements of the Group.

(iv) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses in each tax jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group has recognised an income tax credit of US$586,000 for the financial year ended 31 December 2021 (2020: income tax expense of US$515,000) (Note 9). The carrying amounts of the Group's tax receivables and provision for income tax were US$169,000 and Nil (2020: Nil and US$1,000), respectively. The carrying amounts of the Group's deferred tax assets and liabilities were US$1,780,000 and US$646,000 (2020: US$1,363,000 and US$634,000) respectively (Note 17) as at 31 December 2021.

(v) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The weighted average incremental borrowing rate applied to lease liabilities as at 31 December 2021 was 4.00% (2020: 5.25%). The carrying amount of lease liabilities as at 31 December 2021 was US$4,715,000 (2020: US$6,702,000) (Note 27). If the incremental borrowing rate had been 0.5% higher or lower than management's estimates, the Group's lease liabilities would have been lower or higher by US$24,000 (2020: US$34,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

5 Revenue

(a) Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major product lines and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 31 Segment Information.

	Group	
	2021 US$'000	2020 US$'000
Principal geographical market		
America		
– Sale of goods	46,460	69,246
Europe		
– Sale of goods	24,361	23,884
Asia		
– Sale of goods	4,692	4,193
Rest of the World		
– Sale of goods	7,028	5,735
Total	82,541	103,058
Major product lines		
Sale of goods	82,541	103,058

The Group recognises revenue from sale of goods at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the goods.

(b) Contract balances

	Group		
	31 December		1 January
	2021 US$'000	2020 US$'000	2020 US$'000
Trade receivables (Note 20)	13,772	10,689	19,846
Contract liabilities			
Customers advances received (Note 25)	1,085	1,181	382

Contract liabilities relate to the Group's obligation for the delivery of goods to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue over the period where the goods are delivered to customers.

	Group	
	2021 US$'000	2020 US$'000
Contract liabilities		
As at 1 January	1,181	382
Increase due to cash received	2,683	1,392
Revenue recognised during the year	(2,779)	(593)
As at 31 December	1,085	1,181

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

6 Finance Income

	Group	
	2021 US$'000	2020 US$'000
Interest income on bank deposits	1	22

7 Finance Costs

	Group	
	2021 US$'000	2020 US$'000
Interest expense on borrowings	297	383
Interest expense on lease liabilities	222	379
	519	762

8 (Loss)/Profit Before Income Tax

	Group	
	2021 US$'000	2020 US$'000
This is arrived at after charging/(crediting):		
Cost of inventories recognised as an expense (included in cost of sales)	65,991	77,353
Amortisation of intangible assets	591	789
Depreciation of property, plant and equipment included in:		
– cost of sales	1,314	1,867
– administrative expenses	589	782
Depreciation of right-of-use assets included in:		
– cost of sales	1,500	1,865
– administrative expenses	364	399
Audit fees – Company's auditors	64	102
– Other auditors	473	501
Non-audit fees – Other auditors	119	106
Gain on disposal of property, plant and equipment (included in other income)	(1,143)	(424)
Impairment loss on trade receivables (included in other operating expenses)	–	309
Impairment loss on other financial assets (included in other operating expenses)	8	–
Bad debts written back (included in other income)	(96)	–
Inventories written off	–	2,663
Restructuring costs	–	510
Operating lease expense	19	15
Write-back of inventory obsolescence, net (Note 19)	(738)	(3,210)
Loss on foreign exchange (included in other operating expenses)	193	284
Write-back of payables (included in other income)	(880)	–
Gain on lease modifications (included in other income)	(67)	–
Reinstatement costs (included in other operating expenses)	–	299
Waiver of loan (included in other income)	–	(1,472)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

9 Income Tax (Credit)/Expense

	Group	
	2021 US$'000	2020 US$'000
Income tax (credit)/expense attributable to the results is made up of:		
Current income tax		
– current year	–	794
– over provision in prior year	(90)	(164)
Deferred tax (Note 17)		
– current year	(427)	(137)
– (over)/under provision in prior year	(69)	22
	(586)	515

The income tax (credit)/expense on the (loss)/profit before income tax varies from the amount of income tax determined by applying the applicable tax rates in each jurisdiction the Group operates due to the following factors:

	Group	
	2021 US$'000	2020 US$'000
(Loss)/Profit before income tax	(28)	3,124
Income tax (credit)/expense calculated at applicable tax rates	(263)	703
Non-deductible expenses	322	828
Non-taxable income	(1,051)[1]	(883)
Deferred tax on tax losses not recognised	573	18
Utilisation of unrecognised deferred tax assets	(8)	(9)
Over provision of income tax and deferred tax in prior year	(159)	(142)
	(586)	515

(1) The non-taxable income mainly comprises of the write-off of non-trade payable balances and the gain on sale of fixed assets by a subsidiary, Global Invacom Manufacturing (Shanghai) Co., Ltd ("GISH"), as it is in the process of deregistration during the financial year.

The applicable tax rates used for the reconciliations above are the corporate tax rates payable by entities on taxable profits under tax law in the following jurisdictions:

	2021	2020
Singapore	17%	17%
England and Wales	19%	19%
Malaysia	24%	24%
People's Republic of China	25%	25%
Israel	23%	23%
United States of America	21%	21%

The remaining entities of the Group operating in jurisdictions other than the above have either no taxable income or are not material.

According to a joint circular of the Ministry of Finance and the State Administration of Taxation, Cai Shui [2008] No. 1 of the People's Republic of China ("PRC"), only the profits earned by a foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be exempted from withholding tax. Whereas, dividends distributed out of the profit generated thereafter, shall be subject to EIT at 10% (or at the concessionary rate of 5%, if applicable) and withheld by the PRC entity, pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Details Implementation Rules.

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10 Earnings Per Share

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2021	2020
Net profit for the year attributable to equity holders of the Company (US$'000)	561	2,614
Weighted average number of ordinary shares outstanding for basic earnings per share computation ('000)	271,662	271,662
Basic earnings per share (US cents)	0.21	0.96

(b) Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, the total number of ordinary shares is adjusted for the effects of all dilutive potential ordinary shares, being the share options granted and remained outstanding, if any, as at reporting date.

For share options, a calculation is done to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's ordinary shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to the profit/(loss) (numerator).

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2021	2020
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	271,662	271,662
Shares deemed to be issued for no consideration in respect of:		
Employee options ('000)	–	–
	271,662	271,662

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year as follows:

	2021	2020
Net profit for the year attributable to equity holders of the Company (US$'000)	561	2,614
Weighted average number of ordinary shares outstanding for diluted earnings per share computation ('000)	271,662	271,662
Diluted earnings per share (US cents)	0.21	0.96

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11 Property, Plant and Equipment

	Freehold property US$'000	Machinery & equipment US$'000	Furniture, fittings & equipment US$'000	Motor vehicles US$'000	Renovations US$'000	Total US$'000
Group						
2021						
Cost						
Balance at 1 January	2,883	17,639	7,649	40	1,458	29,669
Currency realignment	–	(19)	12	–	(1)	(8)
Additions	–	814	152	–	97	1,063
Disposals	(12)	(527)	–	–	(116)	(655)
Balance at 31 December	2,871	17,907	7,813	40	1,438	30,069
Accumulated depreciation						
Balance at 1 January	928	11,187	6,969	40	1,135	20,259
Currency realignment	44	322	–	–	70	436
Depreciation charge	–	1,541	275	–	87	1,903
Disposals	(12)	(527)	–	–	(116)	(655)
Balance at 31 December	960	12,523	7,244	40	1,176	21,943
Net book value						
Balance at 31 December	1,911	5,384	569	–	262	8,126
2020						
Cost						
Balance at 1 January	2,807	28,069	8,377	220	1,376	40,849
Currency realignment	76	(12)	53	–	184	301
Additions	–	1,462	410	–	104	1,976
Disposals	–	(146)	–	–	(10)	(156)
Write-off	–	(11,734)	(1,191)	(180)	(196)	(13,301)
Balance at 31 December	2,883	17,639	7,649	40	1,458	29,669
Accumulated depreciation						
Balance at 1 January	849	20,640	7,629	220	1,257	30,595
Currency realignment	–	419	(1)	–	(1)	417
Depreciation charge	79	1,963	532	–	75	2,649
Disposals	–	(101)	–	–	–	(101)
Write-off	–	(11,734)	(1,191)	(180)	(196)	(13,301)
Balance at 31 December	928	11,187	6,969	40	1,135	20,259
Net book value						
Balance at 31 December	1,955	6,452	680	–	323	9,410

The Group recognised a write-off of certain machineries and equipment, furniture, fittings and equipment, motor vehicles and renovations with zero net book value as at 31 December 2020. The write-off mainly consisted of assets which belonged to a subsidiary, Global Invacom Manufacturing (Shanghai) Co., Ltd, which is in the process of deregistration.

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11 Property, Plant and Equipment (cont'd)

	Furniture, fittings & equipment US$'000	Renovations US$'000	Total US$'000
Company			
2021			
Cost			
Balance at 1 January and 31 December	211	80	291
Accumulated depreciation			
Balance at 1 January	137	72	209
Depreciation charge	55	7	62
Balance at 31 December	192	79	271
Net book value			
Balance at 31 December	19	1	20
2020			
Cost			
Balance at 1 January	209	80	289
Additions	2	–	2
Balance at 31 December	211	80	291
Accumulated depreciation			
Balance at 1 January	76	45	121
Depreciation charge	61	27	88
Balance at 31 December	137	72	209
Net book value			
Balance at 31 December	74	8	82

12 Right-Of-Use Assets

	Office premises & warehouses US$'000	Machinery & equipment US$'000	Motor vehicles US$'000	Total US$'000
Group				
2021				
Cost				
At 1 January	5,833	483	24	6,340
Additions	114	–	40	154
Depreciation charge	(1,685)	(168)	(11)	(1,864)
Disposals	(295)	(33)	–	(328)
Modifications to lease terms	63	–	–	63
Currency realignment	35	(4)	–	31
At 31 December	4,065	278	53	4,396
2020				
Cost				
At 1 January	7,120	367	46	7,533
Additions	896	209	12	1,117
Depreciation charge	(1,982)	(248)	(34)	(2,264)
Modifications to lease terms	(73)	–	–	(73)
Currency realignment	(128)	155	–	27
At 31 December	5,833	483	24	6,340

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12 Right-Of-Use Assets (cont'd)

	Office premises & warehouses US$'000	Total US$'000
Company		
2021		
Cost		
At 1 January	162	162
Depreciation charge	(125)	(125)
Modifications to lease terms	2	2
At 31 December	39	39
2020		
Cost		
At 1 January	144	144
Additions	130	130
Depreciation charge	(111)	(111)
Currency realignment	(1)	(1)
At 31 December	162	162

Right-of-use assets acquired under leasing arrangements are disclosed in Note 27.

13 Investments in Subsidiaries

	Company	
	2021 US$'000	2020 US$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	725	725
Currency realignment	131	131
Less: Allowance for impairment loss	(16,014)	(14,287)
	25,375	27,102

Movement in the allowance for impairment loss are as follows:

	2021 US$'000	2020 US$'000
At 1 January	14,287	13,803
Impairment loss recognised during the year	1,727	484
At 31 December	16,014	14,287

Allowance for impairment loss

(i) Global Invacom Manufacturing Pte. Ltd. ("GIMPL")

As at 31 December 2021, an allowance for impairment loss of US$8,648,000 (2020: US$8,648,000) was made on the cost of investment in GIMPL, as the allocated cash generating unit ("CGU"), to which the investment relates to, was incurring losses from operations due to the restructuring costs incurred. The recoverable amount was based on management's estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIMPL, which is considered to be Level 3 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

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13 Investments in Subsidiaries (cont'd)

Allowance for impairment loss (cont'd)

(ii) Global Invacom Holdings Limited and its subsidiaries ("GIHL Group")

As at 31 December 2021, an allowance for impairment loss of US$7,366,000 (2020: US$5,639,000) was made on the cost of investment in GIHL Group, as the allocated cash generating unit ("CGU"), to which the investment relates to, was incurring losses from operations. The recoverable amount was based on management's estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIHL Group, which is considered to be Level 3 in the fair value hierarchy.

Details of the subsidiaries as at the end of the financial year are as follows:

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Company		Cost of investment by the Company	
		2021 %	2020 %	2021 US$'000	2020 US$'000
Held by the Company					
Global Invacom Holdings Limited[(1)] England and Wales	Investment holding England and Wales	100	100	23,134	24,861
Global Invacom Sdn. Bhd.[(2)] Malaysia	Trading and manufacturing Malaysia	100	100	33	33
Global Invacom Manufacturing Pte. Ltd.[(3)] Singapore	Trading and investment holding Singapore	100	100	1,352	1,352
				24,519	26,246

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13 Investments in Subsidiaries (cont'd)

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Group 2021 %	2020 %
Held by Subsidiary			
Global Invacom Manufacturing (Shanghai) Co., Ltd[7][14][15] PRC	Electronics manufacturing services PRC	100	100
Global Invacom (Shanghai) Co., Ltd[7][14] PRC	Provision of supply chain services PRC	100	100
Global Invacom Limited[1][8] England and Wales	Design of products for reception and transmission of satellite signals England and Wales	100	100
Global Skyware Limited[1][8] England and Wales	Design and manufacture of satellite antennas and VSAT England and Wales	100	100
Invacom Holdings Limited[1][9] England and Wales	Dormant England and Wales	100	100
Invacom Limited[1][10] England and Wales	Dormant England and Wales	100	100
Invacom Systems Limited[1][10] England and Wales	Dormant England and Wales	100	100
The Waveguide Solution Ltd[1][8] England and Wales	Design and manufacture of microwave waveguide components and applications England and Wales	100	100
Global Invacom Manufacturing (UK) Limited[1][8] England and Wales	Manufacture and supply of antennas and related products England and Wales	100	100
OnePath Networks Limited[6][8] Israel	Design and manufacture of product in radio frequency over fiber technology Israel	100	100
OnePath Networks Inc.[6][11] United States of America	Sales and marketing United States of America	100	100
Satellite Acquisition Corporation[4] United States of America	Investment holding United States of America	100	100
Raven Antenna Systems, Inc.[4][12] United States of America	Manufacture and distribution of antennas and related products United States of America	100	100

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13 Investments in Subsidiaries (cont'd)

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Group 2021 %	2020 %
Held by Subsidiary (cont'd)			
ASC Signal (Shenzhen) Consulting Services Co Limited[(4)(13)] PRC	Provision of technical support and procurement of electronic components and parts PRC	100	100
PT Global Invacom Indonesia[(5)(15)] Indonesia	Sales and marketing Indonesia	98	98

(1) Audited by Kreston Reeves LLP, London.
(2) Audited by Moore Stephens Associates PLT, Malaysia.
(3) Audited by Moore Stephens LLP, Singapore.
(4) Audited by Plante & Moran, PLLC, United States of America.
(5) Not required to be audited by law in its country of incorporation.
(6) Audited by KPMG, Israel.
(7) Wholly-owned subsidiary of Global Invacom Manufacturing Pte. Ltd.
(8) Wholly-owned subsidiary of Global Invacom Holdings Limited.
(9) Wholly-owned subsidiary of Global Invacom Limited.
(10) Wholly-owned subsidiary of Invacom Holdings Limited.
(11) Wholly-owned subsidiary of OnePath Networks Limited.
(12) Wholly-owned subsidiary of Satellite Acquisition Corporation.
(13) Wholly-owned subsidiary of Raven Antenna Systems, Inc.
(14) The financial statements were audited in accordance with SFRS(I)/IFRS for consolidation purposes by Moore Stephens LLP, Singapore.
(15) Partially-owned subsidiary of Global Invacom Manufacturing Pte. Ltd.

(a) Interest in subsidiary with non-controlling interests

The Group has the following subsidiary that has non-controlling interests:

Name of subsidiary	Country of incorporation/ principal place of business	Proportion of ownership and voting rights held by non-controlling interests		Net loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2021 %	2020 %	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
PT Global Invacom Indonesia ("GI[2]")	Indonesia	98	98	(3)	(5)	(19)	(16)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

13 Investments in Subsidiaries (cont'd)

(b) Summarised financial information of subsidiaries with material non-controlling interests

Summarised financial information in respect of each of the Group's subsidiaries with material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	GI²	
	2021 US$'000	**2020 US$'000**
Summarised statement of financial position		
Current assets	270	85
Non-current assets	–	–
Current liabilities	(534)	(213)
Non-current liabilities	–	–
Equity attributable to owners of the Company	(264)	(128)
Summarised statement of comprehensive income		
Revenue	1,128	381
Loss for the year	(136)	(253)
Summarised statement of cash flows		
Net cash inflow/(outflow) from operating activities	35	(105)
Net cash inflow from investing activities	–	–
Net cash inflow from financing activities	–	–
Net cash inflow/(outflow)	35	(105)

(c) Incorporation of a subsidiary

In the previous financial year ended 31 December 2020, a wholly-owned subsidiary, Global Invacom (Shanghai) Co, Ltd ("GIS") was incorporated. The Group through its subsidiary, holds a 100% equity interest in GIS. The authorised paid-up capital of GIS amounted to US$0.3 million.

(d) Deregistration of a subsidiary

In the current financial year, a wholly-owned subsidiary of the Group, Global Invacom Manufacturing (Shanghai) Co., Ltd, is in the process of deregistration.

14 Goodwill

	Group	
	2021 US$'000	**2020 US$'000**
Cost		
Balance at the beginning and end of the year	9,352	9,352
Allowance for impairment loss		
Balance at the beginning and end of the year	3,260	3,260
Net carrying amount	6,092	6,092

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14 Goodwill (cont'd)

(a) Allocation of goodwill

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as follows:

	Group 2021 US$'000	Group 2020 US$'000
Satellite Communications		
– OnePath Networks Limited ("OPN") – Israel	893	893
– Satellite Acquisition Corporation ("SAC") – United States of America	5,199	5,199
	6,092	6,092

Key assumptions used in the value in use calculations

The Group assessed the recoverable amount of goodwill based on value in use calculations which uses cash flow projections based on financial forecasts provided by management covering a 5-year period. The key assumptions for the value in use calculations are as follows:

	2021 OPN	2021 SAC	2020 OPN	2020 SAC
(i) Estimated discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGUs	13.9%	13.3%	14.8%	17.5%
(ii) Growth rates used to calculate the terminal value based on industry growth forecasts	3%	3%	3%	3%
(iii) Gross margin*	69% to 70%	22% to 25%	51% to 55%	36% to 40%

* excluding labour and production overheads

These assumptions were used for the analysis of the CGUs. Management recognises the speed of technological change and the possibility of new entrants that can have a significant impact on the growth rate assumptions. The effect of new entrants is not expected to have a significant adverse impact on the forecasts included in the budget. The budgeted gross margin is based on past performance and expectations of market development.

Sensitivity analysis

Management considered the possibility of an increase in the discount rate used.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of goodwill to exceed its recoverable amount. Based on management's review of the recoverable amounts of the CGUs, no further impairment on goodwill was required during the financial year ended 31 December 2021 and 2020.

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15 Intangible Assets

	Trading name US$'000	Intellectual property rights US$'000	Capitalised development costs US$'000	Total US$'000
Group				
2021				
Cost				
Balance at 1 January and 31 December	16	2,674	4,834	7,524
Amortisation and impairment				
Balance at 1 January	16	757	4,460	5,233
Amortisation charge	–	284	307	591
Currency realignment	–	2	–	2
Balance at 31 December	16	1,043	4,767	5,826
Net book value				
Balance at 31 December	–	1,631	67	1,698
2020				
Cost				
Balance at 1 January	16	2,685	4,823	7,524
Currency realignment	–	(11)	11	–
Balance at 31 December	16	2,674	4,834	7,524
Amortisation and impairment				
Balance at 1 January	16	483	3,921	4,420
Amortisation charge	–	250	539	789
Currency realignment	–	24	–	24
Balance at 31 December	16	757	4,460	5,233
Net book value				
Balance at 31 December	–	1,917	374	2,291

16 Other Financial Assets

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Equity investments measured at fair value through other comprehensive income				
Unlisted equity securities#	–	8	–	–
Presented as:				
Non-current	–	8	–	–

Unlisted equity securities

The Group acquired an unquoted equity instrument – Fibre TV to Home Limited ("FTTH"), a company incorporated in England and Wales, for US$7,955 in 2009. Fibre TV provides end to end TV Services, Digital Terrestrial TV and Digital Audio Broadcast Radio Digital TV and radio solutions for housing developments, apartment blocks and offices. The Group considers their investment in FTTH is not significant. As at 31 December 2021, an allowance for impairment loss of US$7,955 (2020: Nil) was made on the cost of investment.

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17 Deferred Tax Assets/(Liabilities)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	2021 US$'000	2020 US$'000
Deferred income tax assets to be recovered after 1 year	1,780	1,363
Deferred income tax liabilities to be settled after 1 year	(646)	(634)

The movements in the deferred income tax account are as follows:

	2021 US$'000	2020 US$'000
Balance at the beginning of the year	729	547
Charge for the year (Note 9)	427	115
Currency realignment	(22)	67
Balance at the end of the year	1,134	729

The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows:

	Deferred tax liabilities – Property, plant and equipment US$'000	Deferred tax assets – Unused tax losses and unabsorbed capital allowances US$'000	Total US$'000
Balance at 1 January 2020	(428)	975	547
(Charge)/Credit for the year (Note 9)	(268)	383	115
Currency realignment	62	5	67
Balance at 31 December 2020	(634)	1,363	729
(Charge)/Credit for the year (Note 9)	(12)	439	427
Currency realignment	–	(22)	(22)
Balance at 31 December 2021	(646)	1,780	1,134

Unrecognised tax losses

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 December 2021, the Group has unutilised tax losses of approximately US$17,402,000 (2020: US$15,663,000) which can be carried forward and used to offset against future taxable income of those Group entities in which the losses arose, subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation of the respective countries in which they operate. Deferred tax assets arising from these unutilised tax losses carried forward have not been recognised in accordance with the Group's accounting policy stated in Note 3(k). The deferred tax assets not recognised are estimated to be US$3,774,000 (2020: US$3,228,000).

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18 Due From/(To) Subsidiaries

	Company	
	2021 US$'000	2020 US$'000
Due from subsidiaries	3,265	4,045
Due to subsidiaries	(1)	(835)
Due from subsidiaries, net	3,264	3,210

As at 31 December 2021 and 2020, the amounts due from subsidiaries were non-trade in nature, unsecured, interest-free and repayable on demand.

The non-trade amounts due to subsidiaries were unsecured, interest-free and were set off against the non-trade amounts due from subsidiaries following an offsetting agreement.

Management has evaluated impairment assessment on the amounts due from subsidiaries in Note 32(b).

Financial assets and financial liabilities that are offset in the Company's statement of financial position as at 31 December 2021 and 2020 are as follows:

	Gross amounts of recognised financial assets/ (liabilities) US$'000	Gross amounts of recognised financial assets/ (liabilities) offset in the statement of financial position US$'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position US$'000
2021			
Types of financial assets			
Amount due from subsidiaries			
– Non-trade	5,050	(1,785)	3,265
Types of financial liabilities			
Amount due to subsidiaries			
– Non-trade	(1,786)	1,785	(1)
2020			
Types of financial assets			
Amount due from subsidiaries			
– Non-trade	4,567	(522)	4,045
Types of financial liabilities			
Amount due to subsidiaries			
– Non-trade	(1,357)	522	(835)

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19 Inventories

	Group	
	2021	2020
	US$'000	US$'000
Finished products	11,096	9,876
Work-in-progress	1,987	1,859
Raw materials	12,681	15,081
	25,764	26,816

Analysis of allowance for inventory obsolescence:

Balance at the beginning of the year	1,166	4,376
Currency realignment	(1)	–
Write-back of inventory obsolescence	(738)[1]	(3,210)[2]
Write off of inventories	(100)	–
Balance at the end of the year	327	1,166

(1) The write-back of the inventory obsolescence was mainly due to inventory being sold during the year.

(2) The write-back of inventory obsolescence of approximately US$2.7 million was mainly due to the ceased manufacturing operations in GISH in July 2020, where the Group recorded the write-back for those inventories which had been impaired during the financial year ended 31 December 2019. The remaining write-back of US$0.5 million was due to inventories being sold during the year.

20 Trade Receivables

	Group	
	2021	2020
	US$'000	US$'000
Trade receivables	18,003	15,016
Less: Loss allowance	(4,231)	(4,327)
	13,772	10,689

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are non-interest bearing and generally due for settlement within 30 to 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") as disclosed in the accounting policy note 3(o)(iv). The Group has recognised a loss allowance of 29.5% (2020: 18.0%) against all receivables over 60 days past due because historical experience has indicated that these receivables are generally not recoverable. The Group has a specialist credit insurance policy in place to mitigate losses, by default of payment, on key client balances of US$2.4 million (2020: US$2.0 million). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

The Group's credit risk exposure in relation to trade receivables from contracts with customers under SFRS(I) 9 are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

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20 Trade Receivables (cont'd)

	Current	Trade receivables past due (days)		Total
		0 – 60 days	> 60 days	
	US$'000	US$'000	US$'000	US$'000
Group				
31 December 2021				
Expected credit loss rate	0.00%	5.00%	29.5%	
Trade receivables – gross carrying amount at default	10,607	3,161	4,235	18,003
Loss allowance – lifetime ECL	–[(1)]	(139)[(2)]	(60)[(3)]	(199)
Loss allowance – credit-impaired	–	–	(4,032)	(4,032)
Total allowance for impairment losses	–	(139)	(4,092)	(4,231)
				13,772
31 December 2020				
Expected credit loss rate	0.00%	0.10%	18.00%	
Trade receivables – gross carrying amount at default	9,204	1,390	4,422	15,016
Loss allowance – lifetime ECL	–[(1)]	(1)[(2)]	(20)[(3)]	(21)
Loss allowance – credit-impaired	–	–	(4,306)	(4,306)
Total allowance for impairment losses	–	(1)	(4,326)	(4,327)
				10,689

(1) Considered immaterial.

(2) Loss allowance – lifetime ECL of US$139,000 (2020: US$1,000) is computed at 5.0% (2020: 0.1%) of gross trade receivables of US$2,785,0000 (2020: US$890,000). The Group has a specialist credit insurance policy in place to mitigate losses, by default of payment, on key client balances of US$376,000 (2020: US$500,000) for trade receivables 0 to 60 days past due.

(3) Loss allowance – lifetime ECL of US$60,000 (2020: US$20,000) is computed at 29.5% (2020: 18.0%) of gross trade receivables of US$202,000 (2020: US$112,000) as US$4,032,000 (2020: US$4,306,000) pertains to specific debtors for which specific loss allowance of US$4,032,000 (2020: US$4,306,000) has been made. The Group has a specialist credit insurance policy in place to mitigate losses, by default of payment, on key client balances of US$1,000 (2020: US$4,000) for trade receivables past due over 60 days.

The movements in credit loss allowance for impairment of trade receivables during the year are as follows:

	Group	
	Lifetime ECL 2021 US$'000	Lifetime ECL 2020 US$'000
At 1 January	4,327	4,032
Impairment loss recognised in profit or loss during the year		
– (Write-back)/Charge for the year	(96)	309
– Currency realignment	–	(14)
	(96)	(295)
At 31 December	4,231	4,327

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

21 Other Receivables and Prepayments

		Group		Company	
		2021 US$'000	**2020 US$'000**	**2021 US$'000**	**2020 US$'000**
Other receivables					
Deposits		141	261	54	56
Advanced payments		101	128	–	–
GST/VAT receivables		195	55	6	–
Other debtors	(a)	4,098	290	–	100
Less: Loss allowance		–	(100)	–	(100)
Loans to subsidiaries	(b)	–	–	13,544	14,000
Loan to third party		3	2,181	–	2,181
Less: Loss allowance		–	(2,181)	–	(2,181)
		4,538	634	13,604	14,056
Prepaid expenses		818	1,453	16	20
		5,356	2,087	13,620	14,076
Presented as:					
Non-current		54	54	11,032	10,563
Current		5,302	2,033	2,588	3,513
		5,356	2,087	13,620	14,076
Loans to subsidiaries					
Non-current		–	–	11,032	10,563
Current		–	–	2,512	3,437
		–	–	13,544	14,000

(a) Other receivables

(i) Employee Retention Credit

Included in other debtors of US$4,098,000, is an Employee Retention Credit receivable of approximately US$2,684,000 under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act").

(b) Loans to subsidiaries

(i) Loan from the Company to Global Invacom Holdings Limited ("GIHL")

On 10 November 2014, the Company advanced a loan of US$3,500,000 to GIHL at an interest rate equivalent to 4% per annum above the base rate of the Bank of England, with the loan repayable immediately upon notice from either lender or borrower, to finance the acquisition of the entire issued share capital of OPN. The funds were raised during the listing of the Company's shares on AIM and were earmarked for mergers and acquisitions. As at 31 December 2021, total repayment of loan was US$1,000,000. Interest accrued from the date of drawdown to the reporting date is US$990,000 (2020: US$915,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

21 Other Receivables and Prepayments (cont'd)

(b) Loans to subsidiaries (cont'd)

(ii) Loan from the Company to GIHL

On 1 January 2017, the Company advanced a loan of US$8,752,000 to GIHL at an interest rate equivalent to 4.25% per annum above the base rate of the Bank of England, with the loan due for repayment 5 years from the date of agreement, to finance the transfer of the entire issued share capital of Satellite Acquisition Corporation ("SAC") from the Company to GIHL. Interest accrued from the date of drawdown to the reporting date is US$2,280,000 (2020: US$1,811,000). The Company do not expect any repayment from SAC in the next 12 months.

(iii) Loan from the Company to SAC

On 1 May 2018, the Company advanced a loan of US$1,000,000 to SAC for refinancing an existing borrowing from a bank. The loan was unsecured, interest free and repayable upon the notice from the borrower.

22 Cash and Cash Equivalents

	Group		Company	
	2021 US$'000	**2020 US$'000**	**2021 US$'000**	**2020 US$'000**
Cash and bank balances	10,771	11,242	155	119
Fixed deposits	–	31	–	31
	10,771	11,273	155	150

The fixed deposits mature on a short-term period and earned interest of 0.25% per annum during the previous financial year.

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

	Group	
	2021 US$'000	**2020 US$'000**
Cash and bank balances	10,771	11,242
Fixed deposits	–	31
Cash and cash equivalents per the consolidated statement of cash flows	10,771	11,273

23 Share Capital and Treasury Shares

	Group		Company	
	Number of ordinary shares '000	**Share capital US$'000**	**Number of ordinary shares '000**	**Share capital US$'000**
Issued and fully paid				
Balance at 31 December 2020 and 31 December 2021	282,402	60,423	282,402	74,240

Ordinary shares of the Company do not have any par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

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31 December 2021

23 Share Capital and Treasury Shares (cont'd)

Treasury shares

	Group and Company			
	2021		2020	
	Number of treasury shares '000	Treasury shares US$'000	Number of treasury shares '000	Treasury shares US$'000
Balance at beginning and end of the year	10,740	1,656	10,740	1,656

The Group held 10,740,000 treasury shares at 31 December 2021 (2020: 10,740,000) in the Company.

The shareholders, by an ordinary resolution passed at an Extraordinary General Meeting held on 17 September 2013 and renewed at the Annual General Meeting held on 28 April 2021, approved the Company's plan to repurchase its own ordinary shares for the adoption of the Global Invacom Share Option Scheme 2013.

During the financial year ended 31 December 2021, no issued ordinary shares were repurchased by the Company (2020: Nil). The shares repurchased in the previous financial years are being held as treasury shares in accordance with Sections 76C and 76E of the Singapore Companies Act 1967.

24 Reserves

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Merger reserves	(10,150)	(10,150)	–	–
Capital redemption reserves	6	6	–	–
Share options reserve (Note 28(b))	725	725	725	725
Capital reserve	(5,109)	(5,109)	(4,481)	(4,481)
Foreign currency translation reserve	(1,084)	(964)	(2,506)	(2,506)
Retained profits/(Accumulated losses)	4,229	3,668	(24,200)	(22,040)
	(11,383)	(11,824)	(30,462)	(28,302)

Movements in reserves for the Group are set out in the consolidated statement of changes in equity.

Merger reserve

GIHL was incorporated on 7 November 2008 and on 23 February 2009 a management buyout took place of GIL whereby the entire issued share capital in GIL was transferred to GIHL. The consideration for the Group's restructuring involving the transfer of shares amounting to US$11,748,199 and was settled as follows:

- A share for share exchange with the shareholders of GIL whereby GIHL issued 354,542 ordinary £0.10 shares, with a corresponding value of US$3,802,527; and

- A payment of cash and issue of loan notes to various shareholders in GIL amounting to US$7,945,672.

Accordingly, the reorganisation is considered to be outside the scope of SFRS(I) 3 and the Group has applied the pooling of interests method to prepare the consolidated financial statements. Assets, liabilities, income and expenditure have been brought together on a line by line basis.

Other share related transactions with entities in the Group prior to the restructuring taking place have also been reflected in the merger reserves.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

24 Reserves (cont'd)

Capital reserve

Capital reserve comprise the following items:

		Group		Company	
		2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Statutory reserve fund	(i)	(628)	(628)	–	–
Sale of treasury shares	(ii)	(416)	(416)	(416)	(416)
Issuance of treasury shares	(iii)	(4,065)	(4,065)	(4,065)	(4,065)
		(5,109)	(5,109)	(4,481)	(4,481)

(i) In accordance with the relevant laws and regulations of the PRC, the subsidiaries of the Group in the PRC are required to set aside a statutory reserve fund by way of appropriation of 10% of their profit after tax as reported in the PRC statutory financial statements each year.

The statutory reserve fund may be used to offset any accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the relevant PRC authorities. The appropriation is required until the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital. The statutory reserve is not available for dividend distribution to shareholders.

(ii) During the financial year ended 31 December 2015, 12,000,000 treasury shares were sold to SCE Enterprise Pte Ltd, a wholly-owned subsidiary of Serial System Ltd for a net consideration of S$3,480,000 (approximately US$2,361,000), resulting in a movement in treasury shares of US$2,777,000 and decrease in capital reserve of US$416,000.

(iii) During the financial year ended 31 December 2015, 27,957,828 treasury shares were issued for the acquisition of SAC Group for a share consideration of US$3,752,000, resulting in a movement in treasury shares of US$7,817,000 and decrease in capital reserve of US$4,065,000.

Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of group entities whose functional currency is different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

25 Other Payables

		Group		Company	
		2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Accrued operating expenses		2,409	2,295	251	239
Provision for warranty	(a)	235	265	–	–
Provision for restructuring costs		–	15	–	–
Deferred consideration		–	–	–	–
Customers advances received		1,085	1,181	–	–
GST/VAT payables		177	393	–	9
Other creditors		693	1,564	62	85
		4,599	5,713	313	333
Presented as:					
Non-current		152	124	–	–
Current		4,447	5,589	313	333
		4,599	5,713	313	333
Provision for warranty					
Balance at 1 January		265	201	–	–
Claimed during the year		(71)	(136)	–	–
Arose during the year	(a)	114	200	–	–
Changes in estimates related to previously issued warranties		(73)	–	–	–
Balance at 31 December		235	265	–	–
Provision for restructuring costs					
Balance at 1 January		15	3,493	–	–
(Write-back)/Provision during the year		(15)	510	–	–
Paid during the year		–	(3,988)	–	–
Balance at 31 December		–	15	–	–

(a) The Group provides limited repair or replacement warranties on certain of its manufactured products. The warranty period ranges from 12 to 18 months based upon the specific product category. The Group recognised warranty obligations at the time products are sold based on historical rates of warranty claims and estimated current costs of repair or replacement. Warranty expense recognised in the current financial year amounted to US$114,000 (2020: US$200,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

26 Borrowings

	Group 2021 US$'000	Group 2020 US$'000
Borrowings – current	6,120	3,883

The borrowings as at 31 December 2021 were secured over the assets of the subsidiaries and corporate guarantees (Note 30) provided by the Company and its subsidiaries. As at 31 December 2021, the tenure of the borrowings was between 1 to 12 months (2020: 1 to 12 months). Interest was charged at 2.42% to 3.50% (2020: 2.44% to 3.50%) per annum during the financial year.

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

	1 January US$'000	Non-cash changes US$'000	Cash flows Proceeds US$'000	Cash flows Repayments US$'000	Other changes US$'000	31 December US$'000
2021						
Borrowings – current	3,883	–	34,764	(32,527)	–	6,120
Lease liabilities (Note 27)	6,702	–	–	(1,942)	(45)	4,715
	10,585	–	34,764	(34,469)	(45)	10,835
2020						
Borrowings – current	8,929	–	44,816	(48,390)	(1,472)[1]	3,883
Lease liabilities (Note 27)	7,845	1,117	–	(2,217)	(43)	6,702
	16,774	1,117	44,816	(50,607)	(1,515)	10,585

(1) During the previous year ended 31 December 2020, the Group obtained a Paycheck Protection Program ("PPP") loan of US$1,472,000 from the United States government. In the same financial year ended 31 December 2020, the Group submitted an application and successfully obtained a full wavier of the loan amount from the government.

27 Lease Liabilities

	Group 2021 US$'000	Group 2020 US$'000	Company 2021 US$'000	Company 2020 US$'000
Presented as:				
– Non-current	3,088	4,848	–	39
– Current	1,627	1,854	38	128
	4,715	6,702	38	167

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

27 Lease Liabilities (cont'd)

	Office premises & warehouses US$'000	Machinery & equipment US$'000	Motor vehicles US$'000	Total US$'000
Group				
2021				
Cost				
At 1 January	6,164	469	69	6,702
Additions	14	–	–	14
Interest expense (Note 7)	205	15	2	222
Modifications to lease terms	2	17	15	34
Lease payments				
– Principal portion	(1,759)	(172)	(11)	(1,942)
– Interest portion	(205)	(15)	(2)	(222)
Currency realignment	(64)	13	(42)	(93)
At 31 December	4,357	327	31	4,715
2020				
Cost				
At 1 January	7,359	443	43	7,845
Additions	896	209	12	1,117
Interest expense (Note 7)	354	23	2	379
Modifications to lease terms	(76)	–	–	(76)
Lease payments				
– Principal portion	(2,084)	(133)	–	(2,217)
– Interest portion	(354)	(23)	(2)	(379)
Currency realignment	69	(50)	14	33
At 31 December	6,164	469	69	6,702

	Office premises & warehouses US$'000	Total US$'000
Company		
2021		
Cost		
At 1 January	167	167
Interest expense	3	3
Lease payments		
– Principal portion	(131)	(131)
– Interest portion	(3)	(3)
Currency realignment	2	2
At 31 December	38	38
2020		
Cost		
At 1 January	151	151
Additions	130	130
Interest expense	5	5
Lease payments		
– Principal portion	(114)	(114)
– Interest portion	(5)	(5)
At 31 December	167	167

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

27 Lease Liabilities (cont'd)

The maturity analysis of lease liabilities of the Group and Company at each reporting date are as follows:

	Group		Company	
	2021 US$'000	**2020 US$'000**	**2021 US$'000**	**2020 US$'000**
Contractual undiscounted cash flows				
– Less than 1 year	1,795	2,152	38	132
– Between 1 to 5 years	3,204	5,206	–	39
– More than 5 years	33	50	–	–
	5,032	7,408	38	171
Less: Future interest charges	(317)	(706)	–	(4)
Present value of lease liabilities	4,715	6,702	38	167

The Group leases factory buildings, office premises and office equipment with only fixed payments over the lease terms. The Company is prohibited from selling, pledging or sub-leasing the underlying leased assets and is required to maintain the assets in good condition.

As at 31 December 2021, the interest rate implicit in the leases was 4.00% (2020: 5.25%).

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented in Note 26.

28 Employee Benefits

(a) Staff Costs

	Group	
	2021 US$'000	**2020 US$'000**
Salaries, bonuses and related costs (including executive directors)	17,925	21,812
Defined contribution plans	606	1,961
Termination benefits	21	510
	18,552	24,283

(b) Employee Share Options

Pursuant to a resolution passed in the Extraordinary General Meeting held on 17 September 2013 and renewed at the Annual General Meeting held on 28 April 2021, the Global Invacom Share Option Scheme 2013 (the "2013 Scheme") was adopted whereby it may grant options to executive and non-executive directors (including independent directors) and employees of the Group who have contributed significantly to the success and development of the Group to subscribe for shares of the Company. The 2013 Scheme replaced the Global Invacom Group Employee Share Option Scheme of the Group which was adopted on 15 June 2012 (the "2012 Scheme") and the Enterprise Management Incentive Share Option Scheme (the "EMI Scheme"). No expense (2020: Nil) was included in the administrative expenses for the year ended 31 December 2021 with a corresponding credit to the share option reserve (Note 24), and where it relates to key management, has been included in their remuneration disclosed in Note 28(a) above.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

28 Employee Benefits (cont'd)

(b) Employee Share Options (cont'd)

Details of the schemes are as follows:

(i) 2013 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the 2013 Scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 26 August 2013. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

At the end of the financial year, the details of the options granted pursuant to the 2013 Scheme are as follows:

1.1.2021	Granted	Exercised/ (Lapsed)	31.12.2021	Exercise price	Exercise period
1,267,000	–	–	1,267,000	S$0.17	7 July 2016 to 6 July 2023
1,267,000	–	–	1,267,000	S$0.17	7 July 2017 to 6 July 2023
2,045,000	–	–	2,045,000	S$0.311	22 June 2016 to 21 June 2025
2,045,000	–	–	2,045,000	S$0.311	22 June 2017 to 21 June 2025
975,000	–	–	975,000	S$0.12	9 March 2018 to 8 March 2026
975,000	–	–	975,000	S$0.12	9 March 2019 to 8 March 2026
8,574,000	–	–	8,574,000		

1.1.2020	Granted	Exercised/ (Lapsed)	31.12.2020	Exercise price	Exercise period
1,415,000	–	(148,000)	1,267,000	S$0.17	7 July 2016 to 6 July 2023
1,415,000	–	(148,000)	1,267,000	S$0.17	7 July 2017 to 6 July 2023
3,190,000	–	(1,145,000)	2,045,000	S$0.311	22 June 2016 to 21 June 2025
3,190,000	–	(1,145,000)	2,045,000	S$0.311	22 June 2017 to 21 June 2025
1,325,000	–	(350,000)	975,000	S$0.12	9 March 2018 to 8 March 2026
1,325,000	–	(350,000)	975,000	S$0.12	9 March 2019 to 8 March 2026
11,860,000	–	(3,286,000)	8,574,000		

Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the competitors' historical share price volatility.

	Outstanding options for the year ended 31 December 2021		
Grant date	7 July 2013	22 June 2015	9 March 2016
Vesting period (years)	3 – 4	1 – 2	2 – 3
Grant date share price (S$)	0.161	0.311	0.117
Exercise price (S$)	0.170	0.311	0.120
Expected volatility	90%	43%	51%
Option life (years)	6.85	2.0	5.0
Expected dividend yield	2.5%	1.6%	4.4%
Risk-free interest rate	2.43%	1.05%	1.72%

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

28 Employee Benefits (cont'd)

(b) Employee Share Options (cont'd)

(i) 2013 Scheme (cont'd)

The following table lists the movements in the weighted average values as follows:

	2021		2020	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Balance at the beginning of the year	8,574,000	S$0.226	11,860,000	S$0.235
Granted during the year	–	–	–	–
Lapsed during the year	–	–	(3,286,000)	S$0.258
Balance at the end of the year	8,574,000	S$0.226	8,574,000	S$0.226
Weighted average remaining contractual life in years	3.1 years		4.1 years	

The above options which were granted under the 2012 Scheme continue to be effective and exercisable according to the terms and conditions of the 2013 Scheme.

(ii) 2012 Scheme

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under this scheme shall not exceed 15% of the issued share capital of the Company as set out in the circular of the Company dated 16 May 2012. Each employee share option converts into one ordinary share of the Company on exercise. Recipient shall pay S$1.00 as consideration or such other amounts as the administering committee may require on acceptance of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The 2012 Scheme was terminated on 17 September 2013 and replaced by the 2013 Scheme.

(c) Performance Share Plan

The Global Invacom Performance Share Plan 2013 (the "Global Invacom PSP") was approved by the members of the Company at an Extraordinary General Meeting held on 17 September 2013 and renewed at the Annual General Meeting on 28 April 2021. The primary objectives of the Global Invacom PSP are to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key staff.

The Global Invacom PSP is administered by the Remuneration Committee ("RC") and shall continue to be in force at the discretion of the RC, subject to a maximum of 10 years commencing from 17 September 2013. Any awards of shares granted pursuant to the rules of the Global Invacom PSP ("Award") made to participants prior to such expiry or termination will continue to remain valid.

A participant's Award under the Global Invacom PSP will be determined at the sole discretion of the RC. In considering an Award to be granted to a participant, the RC may take into account, *inter alia*, the participant's performance and/or contribution to the Company.

Awards granted under the Global Invacom PSP will typically vest only after the satisfactory completion of performance-related award conditions and/or other conditions such as vesting period(s) applicable for the release of the Award. No minimum vesting periods are prescribed under the Global Invacom PSP, and the length of the vesting period(s) in respect of each Award will be determined on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

28 Employee Benefits (cont'd)

(c) Performance Share Plan (cont'd)

No share awards were granted during the financial year ended 31 December 2021 and 2020. As at the end of the financial year, the details of share awards granted are as follows:

1.1.2021	Granted	Exercised/(Lapsed)	31.12.2021
30,000	–	–	30,000

1.1.2020	Granted	Exercised/(Lapsed)	31.12.2020
30,000	–	–	30,000

29 Related Party Transactions

A related party is a person or entity that is related to the entity that is preparing its financial statements ("reporting entity").

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity, (b) an entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; (viii) the entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties during the financial year at terms agreed between the parties:

Compensation of directors and key management

	Group	
	2021 US$'000	2020 US$'000
Salaries, bonuses and related costs	1,380	1,250
Directors' fees	220	231
Defined contribution plans	149	288
Compensation for loss of office	–	183
	1,749	1,952
Comprise amounts paid/payable to:		
– Directors of the Company	946	1,195
– Key management	803	757
	1,749	1,952

30 Financial Guarantee

As disclosed in Note 26, the Company and its subsidiaries have provided corporate guarantees of US$3,391,000 (2020: US$3,406,000) to banks for facilities and loans granted to the subsidiaries of the Group. The borrowings outstanding were approximately US$6,120,000 as at 31 December 2021 (2020: US$3,883,000).

The fair value of the above corporate guarantees has not been recognised in the financial statements of the Company, as the amount involved is, in the opinion of the Board of Directors, not material to the Company and has no impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

31 Segment Information

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.

The accounting policies of the reportable segments are the same as the Group's accounting policies discussed in Note 3(t). 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 tax. 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.

(a) Reportable Operating Segments

	Sat Comms US$'000	CM US$'000	Group US$'000
2021			
Revenue	82,541	–	82,541
Operating profit/(loss)	507	(17)	490
Finance income			1
Finance costs			(519)
Income tax credit			586
Profit for the year			558
Amortisation of intangible assets	591	–	591
Depreciation of property, plant and equipment	1,903	–	1,903
Depreciation of right-of-use assets	1,864	–	1,864
Addition to property, plant and equipment	1,063	–	1,063
Impairment loss on other financial assets	8	–	8
Bad debts written (back)/off	(113)	17	(96)
Gain on lease modifications	(63)	–	(63)
Write-back of inventory obsolescence, net	(738)	–	(738)

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31 December 2021

31 Segment Information (cont'd)

(a) Reportable Operating Segments (cont'd)

	Sat Comms US$'000	CM US$'000	Group US$'000
2021			
Assets and liabilities			
Segment assets	74,109	1,573	75,682
Unallocated assets			
– Non-current assets			20
– Other receivables			79
– Deferred tax assets			1,780
– Cash and cash equivalents			155
– Tax receivables			169
– Right-of-use assets			39
Total assets			77,924
Segment liabilities	23,393	–	23,393
Unallocated liabilities			
– Other payables			362
– Deferred tax liabilities			646
– Borrowings			6,120
– Lease liabilities			38
Total liabilities			30,559
2020			
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	1,976	–	1,976
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)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

31 Segment Information (cont'd)

(a) Reportable Operating Segments (cont'd)

	Sat Comms US$'000	CM US$'000	Group US$'000
2020			
Assets and liabilities			
Segment assets	73,953	561	74,514
Unallocated assets			
– 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
Segment liabilities	23,702	688	24,390
Unallocated liabilities			
– Other payables			367
– Provision for income tax			1
– Deferred tax liabilities			634
– Borrowings			3,883
– Lease liabilities			167
Total liabilities			29,442

(b) Geographical Information

Revenue and non-current assets (exclude deferred tax assets and other financial assets) information based on the geographical location of customers and assets respectively are as follows:

	America US$'000	Europe US$'000	Asia US$'000	Rest of the World US$'000	Group US$'000
2021					
Total revenue from external customers	46,460	24,361	4,692	7,028	82,541
Non-current assets	7,557	11,020	1,627	162	20,366
2020					
Total revenue from external customers	69,246	23,884	4,193	5,735	103,058
Non-current assets	8,857	12,974	2,227	129	24,187

(c) Information about Major Customers

Included in revenue arising from the Sat Comms and CM segments are sales of approximately US$53,506,000 (2020: US$79,000,000) which are sales to the Group's 5 (2020: 5) largest customers (of which the largest single customer accounts for 22.0% (2020: 32.8%) of total revenue).

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32 Financial Risk Management

The Group's activities expose it to a variety of market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market Risk

(i) Currency risk

Certain of the Group's transactions are denominated in foreign currencies such as Singapore Dollar ("SGD"), Renminbi ("CNY"), Pound Sterling ("GBP"), Malaysian Ringgit ("MYR") and Indonesian Rupiah ("IDR"). As a result, the Group is exposed to movements in foreign currency exchange rates. The Group does not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions.

The Group is also exposed to currency translation risk arising from its net investments in foreign subsidiaries.

The Group's currency exposure based on the information provided to key management is as follows:

	USD US$'000	SGD US$'000	CNY US$'000	GBP US$'000	MYR US$'000	IDR US$'000	Others US$'000	Total US$'000
Group								
2021								
Financial assets								
Cash and cash equivalents	9,250	164	125	935	225	25	47	10,771
Trade receivables	8,971	–	–	3,408	751	33	609	13,772
Other receivables (excluding advanced payments and GST/VAT receivables)	4,155	54	19	–	14	–	–	4,242
	22,376	218	144	4,343	990	58	656	28,785
Financial liabilities								
Trade and other payables (excluding provision for warranty, provision for restructuring costs, customers advances received and GST/VAT payables)	(14,110)	(302)	(225)	(3,564)	(126)	(29)	(78)	(18,434)
Borrowings	(6,120)	–	–	–	–	–	–	(6,120)
Lease liabilities	(3,318)	(38)	(162)	(1,138)	(59)	–	–	(4,715)
	(23,548)	(340)	(387)	(4,702)	(185)	(29)	(78)	(29,269)
Net financial (liabilities)/assets	(1,172)	(122)	(243)	(359)	805	29	578	(484)
Add/(Less): Net financial assets/(liabilities) denominated in the Group's entities functional currency	204	–	–	(1,828)	(805)	–	–	(2,429)
Currency exposure	(968)	(122)	(243)	(2,187)	–	29	578	(2,913)

NOTES TO THE FINANCIAL STATEMENTS

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32 Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

	USD US$'000	SGD US$'000	CNY US$'000	GBP US$'000	MYR US$'000	IDR US$'000	Others US$'000	Total US$'000
Group								
2020								
Financial assets								
Cash and cash equivalents	9,102	132	399	503	530	6	601	11,273
Trade receivables	7,584	–	–	2,584	241	–	280	10,689
Other receivables (excluding advanced payments and GST/VAT receivables)	68	57	137	72	14	–	103	451
Other financial assets	8	–	–	–	–	–	–	8
	16,762	189	536	3,159	785	6	984	22,421
Financial liabilities								
Trade and other payables (excluding provision for warranty, provision for restructuring costs, customers advances received and GST/VAT payables)	(11,374)	(332)	(586)	(3,513)	(101)	(15)	(447)	(16,368)
Borrowings	(3,883)	–	–	–	–	–	–	(3,883)
Lease liabilities	(4,317)	(166)	(308)	(1,721)	(164)	–	(26)	(6,702)
	(19,574)	(498)	(894)	(5,234)	(265)	(15)	(473)	(26,953)
Net financial (liabilities)/assets	(2,812)	(309)	(358)	(2,075)	520	(9)	511	(4,532)
Add/(Less): Net financial assets/(liabilities) denominated in the Group's entities functional currency	4,018	–	–	183	(520)	–	–	3,681
Currency exposure	1,206	(309)	(358)	(1,892)	–	(9)	511	(851)

NOTES TO THE FINANCIAL STATEMENTS

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32 Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) *Currency risk* (cont'd)

	USD US$'000	SGD US$'000	GBP US$'000	Total US$'000
Company				
2021				
Financial assets				
Cash and cash equivalents	43	112	–	155
Amounts due from subsidiaries	3,265	–	–	3,265
Other receivables	13,544	54	–	13,598
	16,852	166	–	17,018
Financial liabilities				
Other payables (excluding GST/VAT payables)	–	(262)	(51)	(313)
Amounts due to subsidiaries	(1)	–	–	(1)
Lease liabilities	–	(38)	–	(38)
	(1)	(300)	(51)	(352)
Net financial assets/(liabilities)	16,851	(134)	(51)	16,666
Less:				
Net financial assets denominated in the Company's functional currency	(16,851)	–	–	(16,851)
Currency exposure	–	(134)	(51)	(185)
2020				
Financial assets				
Cash and cash equivalents	59	90	1	150
Amounts due from subsidiaries	4,045	–	–	4,045
Other receivables	14,000	56	–	14,056
	18,104	146	1	18,251
Financial liabilities				
Other payables (excluding GST/VAT payables)	–	(258)	(66)	(324)
Amounts due to subsidiaries	(835)	–	–	(835)
Lease liabilities	–	(167)	–	(167)
	(835)	(425)	(66)	(1,326)
Net financial assets/(liabilities)	17,269	(279)	(65)	16,925
Less:				
Net financial assets denominated in the Company's functional currency	(17,269)	–	–	(17,269)
Currency exposure	–	(279)	(65)	(344)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

32 Financial Risk Management (cont'd)

(a) Market Risk (cont'd)

(i) Currency risk (cont'd)

If the SGD, CNY, GBP and IDR changed against the USD by 5% with all other variables, including tax rates, being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	Group		Company	
	← Increase/(Decrease) →		← Increase/(Decrease) →	
	Profit before tax 2021 US$'000	Profit before tax 2020 US$'000	Loss before tax 2021 US$'000	Loss before tax 2020 US$'000
SGD against USD				
– strengthened	(6)	(15)	7	14
– weakened	6	15	(7)	(14)
CNY against USD				
– strengthened	(12)	(18)	–	–
– weakened	12	18	–	–
GBP against USD				
– strengthened	(109)	(95)	3	3
– weakened	109	95	(3)	(3)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because entities in the Group borrow funds both at fixed and floating interest rates. Information relating to the Group's interest rate exposure is disclosed in Note 26 on borrowings.

The Group usually obtains additional financing through bank borrowings and its policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks for better yield returns than cash at banks and/or to satisfy conditions for banking facilities granted to the Group.

The sensitivity analyses below have been determined based on the exposure to interest rates for bank borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates are higher/lower by 1% and all other variables were held constant, the Group's profit for the year ended 31 December 2021 would increase/decrease by US$61,000 (2020: US$39,000).

Effect of interest rate benchmark reform

A fundamental financial industry reform of interest rate benchmarks is being undertaken globally, including the cessation and replacement of interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "interest rate benchmark reform"). The Group's interest rate risk that is directly affected by the interest rate benchmark reform predominantly comprises its variable rate borrowings. As at 31 December 2021, the Group has variable rate borrowings of approximately US$540,000 that are indexed to LIBOR. The borrowing contracts which maturing after the cessation of IBORs publication has been transitioned to a new benchmark rate in 2022.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

32 Financial Risk Management (cont'd)

(b) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimize credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or buying credit insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with high credit quality counterparties as disclosed in Note 16, 20, 21 and 22, where the counterparty is considered to have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

Before accepting new customers, the Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and other reliable references. Sale limits are established for each customer, which represents the maximum open amount without requiring approval from the management; these limits are reviewed on a regular basis. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis. The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of one to three months for individual and corporate customers. Furthermore, the Group reviews the recoverable amount of each trade receivable on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

The Group's trade receivables consist of a large number of customers, spread across diverse geographical areas. Of the trade receivables balance at the end of the year, US$3,379,000 (2020: US$3,875,000) is due from a single customer, the Group's largest customer. The Group has a significant concentration of credit risk from its trade receivables as approximately 63.4% (2020: 75.8%) of the trade receivables outstanding as at the end of the financial year are owing from not more than 5 (2020: 5) customers.

The Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements arises from the carrying amount of the respective recognised financial assets as presented on the statement of financial position. In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantees are called on. The Company also provided corporate guarantees to banks on subsidiaries' borrowings.

Trade receivables

As disclosed in Note 3(o)(iv), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's and the Company's credit risk exposure in relation to trade receivables is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

32 Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

Other receivables and amounts due from subsidiaries

For the purpose of impairment assessment, other receivables (excluding loan to third party, deposits and other debtors) (Note 21) and amounts due from subsidiaries (Note 18) are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL which reflects the low credit risk of the exposures. There is no allowance for doubtful debts arising from these outstanding balances as the expected credit losses are not material. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables and amounts due from subsidiaries.

The loan to third party, deposits and other debtors are measured at an amount equal to the lifetime ECL. Further details on the loss allowance is disclosed in Note 21.

Cash and cash equivalents and other financial assets

Cash and cash equivalents are placed with banks and financial institutions which are regulated. Derivatives are entered into with a third party that the Group has assessed to have the financial capacity to meet the contractual cash flows obligations in the near future.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was immaterial. The Group uses a similar approach for assessment of ECLs for other financial assets.

Credit risk grading guideline

The Group's management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL (credit-impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

32 Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
Group					
31 December 2021					
Trade receivables (Note 20)	Note 1	Lifetime ECL (Simplified)	18,003	(4,231)	13,772
Other receivables (excluding advanced payments and GST/VAT receivables) (Note 21)	Performing	12-month ECL	4,239	–	4,239
31 December 2020					
Trade receivables (Note 20)	Note 1	Lifetime ECL (Simplified)	15,016	(4,327)	10,689
Loan to third party (Note 21)	Non-performing	Lifetime ECL	2,181	(2,181)	–
Other debtors (Note 21)	Non-performing	Lifetime ECL	100	(100)	–
Other receivables (excluding advanced payments and GST/VAT receivables) (Note 21)	Performing	12-month ECL	451	–	451

For Note 1 – The Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Note 20 and 21.

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount US$'000	Loss allowance US$'000	Net carrying amount US$'000
Company					
31 December 2021					
Other receivables (Note 21)	Performing	12-month ECL	13,544	–	13,544
Amounts due from subsidiaries (Note 18)	Performing	12-month ECL	3,265	–	3,265
31 December 2020					
Loan to third party (Note 21)	Non-performing	Lifetime ECL	2,181	(2,181)	–
Other debtors (Note 21)	Non-performing	Lifetime ECL	100	(100)	–
Other receivables (Note 21)	Performing	12-month ECL	14,000	–	14,000
Amounts due from subsidiaries (Note 18)	Performing	12-month ECL	4,045	–	4,045

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

32 Financial Risk Management (cont'd)

(b) Credit Risk (cont'd)

Credit risk exposure and significant credit risk concentration (cont'd)

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements under SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence does not expect significant credit losses arising from guarantees.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. In the management of its liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	Between 1 to 5 years US$'000	More than 5 years US$'000
Group					
2021					
Trade and other payables (excluding provision for warranty, provision for restructuring costs, deferred consideration, customers advances received and GST/VAT payables)	18,434	18,434	18,282	152	–
Borrowings	6,120	6,300	6,300	–	–
Lease liabilities	4,715	5,032	1,795	3,204	33
2020					
Trade and other payables (excluding provision for warranty, provision for restructuring costs, deferred consideration, customers advances received and GST/VAT payables)	16,368	16,368	16,244	124	–
Borrowings	3,883	3,980	3,980	–	–
Lease liabilities	6,702	7,408	2,152	5,206	50
Company					
2021					
Other payables (excluding GST/VAT payables)	313	313	313	–	–
Amount due to subsidiaries	1	1	1	–	–
Lease liabilities	38	38	38	–	–
2020					
Other payables (excluding GST/VAT payables)	324	324	324	–	–
Amount due to subsidiaries	835	835	835	–	–
Lease liabilities	167	171	132	39	–

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32 Financial Risk Management (cont'd)

(c) Liquidity Risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's and its subsidiaries' corporate guarantee. The maximum amount of the financial guarantee contract is allocated to the earliest period in which the guarantee could be called.

	Less than 1 year	
	2021 US$'000	2020 US$'000
Financial guarantee (Note 30)	3,391	3,406

(d) Capital Risk

The Group and the Company's objectives when managing capital are to safeguard the ability of the Group and the Company to continue as going concerns and to maintain an optimal capital structure so as to maximise shareholders' value. The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 2020.

As disclosed in Note 24, the Group's subsidiaries in the PRC are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the relevant subsidiaries for the financial years ended 31 December 2021 and 2020.

The Group and the Company monitor capital using a net-debt-to-equity ratio, which is net debt divided by total equity. In general, the Group's and the Company's policy is to keep the ratio within 50%. The Group and the Company include within net debt, lease liabilities, borrowings, trade and other payables, amounts due to subsidiaries, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Company.

	Group		Company	
	2021 US$'000	2020 US$'000	2021 US$'000	2020 US$'000
Lease liabilities	4,715	6,702	38	167
Borrowings	6,120	3,883	–	–
Trade and other payables	19,078	18,222	313	333
Amounts due to subsidiaries	–	–	1	835
Less: Cash and cash equivalents	(10,771)	(11,273)	(155)	(150)
Net debt	19,142	17,534	197	1,185
Equity attributable to the equity holders of the Company	47,384	46,943	42,122	44,282
Net-debt-to-equity ratio	40.4%	37.4%	0.5%	2.7%

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31 December 2021

33 Fair Value Financial Instruments

(a) Fair value of the Group's and the Company's financial assets and liabilities that are measured at fair value on a recurring basis

The Group and the Company categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Black-Scholes Option Pricing Model	45% probability that conversion will take place before maturity	The higher the probability, the higher the fair value.
	45% probability that the Group will exercise the conversion option on maturity	The higher the probability, the higher the fair value.
	10% probability that the conversion option will not be exercised for unforeseen reasons	The higher the probability, the lower the fair value.
	Risk free rate of between 2.51% to 2.60%	The higher the risk free rates, the higher the fair value.
	Expected volatility of Tactilis's share price returns	The higher the expected volatility, the higher the fair value.
Discounted cash flow	Discount rate of between 13.69% and 14.90%	The higher the discount rate, the lower the fair value.
	Discount for the lack of marketability	The higher the discount, the lower the fair value.

The following table presents the financial assets and financial liabilities measurement at fair value as at the statement of financial position date by level of the fair value hierarchy:

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Group and Company				
2021				
Financial asset at fair value through other comprehensive income	–	–	–	–
2020				
Financial asset at fair value through other comprehensive income	–	–	8	8

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31 December 2021

33 Fair Value Financial Instruments (cont'd)

(a) Fair value of the Group's and the Company's financial assets and liabilities that are measured at fair value on a recurring basis (cont'd)

The fair value of the Group and Company's financial asset, at fair value through profit or loss as at the statement of financial position date has been arrived at on the basis of a valuation carried out at that date by Asia Valuation & Advisory Services Pte Ltd, independent valuers not related to the Group. They have appropriate professional qualifications and relevant experience in the valuation industry.

(b) Fair value of the Group's and the Company's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosure is required)

(i) The carrying amounts of financial assets and liabilities with a maturity of less than 1 year, which include cash and cash equivalents, borrowings, receivables and payables are assumed to approximate their fair values due to their short-term maturities.

(ii) The carrying amount of non-current portion of loans to subsidiaries (Note 21), non-current portion of other payables (Note 25) and non-current lease liabilities (Note 27) to the financial statements are reasonable approximation of their fair value.

(c) Valuation Policies and Procedures

The Group and the Company has established a control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Chief Executive Officer and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit and Risk Committee.

34 Impact of COVID-19 on the Group's operations

The impact of the COVID-19-related restrictions, including lockdowns in all countries in which the Group operates and the disruption to global supply chains and international travel was, in part, mitigated by the Group's diversified manufacturing footprint and by 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 research and development 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.

SHAREHOLDERS' INFORMATION

As at 22 March 2022

Class of shares	:	Ordinary Shares
Issued and fully paid-up capital (including Treasury Shares)	:	S$100,338,013
Issued and fully paid-up capital (excluding Treasury Shares)	:	S$98,041,956
Number of shares issued (including Treasury Shares)	:	282,402,299
Number of shares issued (excluding Treasury Shares)	:	271,662,227
Number/Percentage of Treasury Shares	:	10,740,072/3.95%
Voting rights (excluding Treasury Shares)	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding			No. of Shareholders	%	No. of Shares	%
1	–	99	30	2.41	1,393	0.00
100	–	1,000	136	10.91	49,591	0.02
1,001	–	10,000	284	22.79	1,652,516	0.61
10,001	–	1,000,000	771	61.88	82,735,711	30.45
1,000,001		and above	25	2.01	187,223,016	68.92
			1,246	100.00	271,662,227	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1.	OCBC Securities Private Ltd	56,871,175	20.93
2.	Phillip Securities Pte Ltd	27,381,894	10.08
3.	DBSN Services Pte Ltd	24,334,179	8.96
4.	Raffles Nominees (Pte) Limited	12,130,800	4.47
5.	Tan Seng Hock	8,756,500	3.22
6.	SCE Enterprise Pte. Ltd.	8,386,100	3.09
7.	Kong Kok Choy	6,000,000	2.21
8.	Coffee Express 2000 Pte Ltd	5,250,000	1.93
9.	Hong Joo Co Pte Ltd	5,019,000	1.85
10.	DBS Nominees Pte Ltd	4,497,775	1.66
11.	iFast Financial Pte Ltd	2,755,150	1.01
12.	OCBC Nominees Singapore Pte Ltd	2,705,900	1.00
13.	Lim Khai Jiunn	2,600,000	0.96
14.	Tang Lui Sing	2,500,000	0.92
15.	Maybank Securities Pte. Ltd.	2,156,100	0.79
16.	Allplus Holdings Pte Ltd	2,057,500	0.76
17.	Citibank Nominees Singapore Pte Ltd	2,046,593	0.75
18.	Sng Beng Hock Michael	1,860,000	0.68
19.	Goh Jui Hoo	1,800,100	0.66
20.	HSBC (Singapore) Nominees Pte Ltd	1,582,850	0.58
	Total	180,691,616	66.51

SHAREHOLDERS' INFORMATION

As at 22 March 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholder)

	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholders	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Gregory Knox Jones[2]	–	–	24,334,179	8.96	24,334,179	8.96
EGCP II Satellite Holdings, LLC ("**EGCP**")[3]	–	–	24,334,179	8.96	24,334,179	8.96
Neo Chee Beng[4]	7,000	0.002	18,231,000	6.71	18,238,000	6.71
Tan Seng Hock[5]	8,456,500	3.11	7,307,500	2.69	15,764,000	5.80

Notes:

(1) Percentage of shareholding is calculated based on 271,662,227 ordinary shares.

(2) Mr Gregory Knox Jones is deemed interested in 24,334,179 ordinary shares held by EGCP, by virtue of Section 7 of the Companies Act.

(3) EGCP is deemed interested in 24,334,179 ordinary shares held through its nominee, by virtue of Section 7 of the Companies Act.

(4) Mr Neo Chee Beng is deemed interested in 18,231,000 ordinary shares assigned to nominees, by virtue of Section 7 of the Companies Act.

(5) Mr Tan Seng Hock is deemed interested in 2,057,500 ordinary shares held by Allplus Holdings Pte Ltd, by virtue of his 83% shareholdings in Allplus Holdings Pte Ltd and 5,250,000 ordinary shares held by Coffee Express 2000 Pte Ltd, by virtue of his 33.33% shareholdings in Coffee Express 2000 Pte Ltd.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available and to the best knowledge of the Company, as at 22 March 2022, approximately 65.84% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of GLOBAL INVACOM GROUP LIMITED (the "**Company**") will be held by way of electronic means on Wednesday, 27 April 2022 at 4.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to the following regulations of the Company's Constitution:

   Mr Kenny Sim Mong Keang *(pursuant to Regulation 105)* **(Resolution 2)**
   Mr Gordon Blaikie *(pursuant to Regulation 109)* **(Resolution 3)**

   Mr Kenny Sim Mong Keang will, upon re-election as a Director of the Company, remain as the Non-Independent and Non-Executive Director of the Company.

   Mr Gordon Blaikie will, upon re-election as a Director of the Company, remain as the Executive Director of the Company.

3. To approve the payment of Directors' fees of up to S$294,525 for the financial year ending 31 December 2022, to be paid quarterly in arrears (FY2021: S$294,525).
   [See Explanatory Note (i)] **(Resolution 4)**

4. To re-appoint Moore Stephens LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to Allot and Issue Shares**

   That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to allot and issue:

   (a) shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise;

   (b) convertible securities;

   (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues; and

   (d) shares arising from the conversion of convertible securities in (b) and (c) above,

   at any time during the continuance of this authority or thereafter and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the convertible securities made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority continues in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 6)**

7. **Authority to Allot and Issue Shares Under the Global Invacom Share Option Scheme 2013**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the Global Invacom Share Option Scheme 2013 (the "**Scheme**") upon the exercise of such options and in accordance with the terms and conditions of the Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme, Global Invacom Performance Share Plan 2013, and any other share scheme which the Company may have in place, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

[See Explanatory Note (iii)] **(Resolution 7)**

8. **Authority to Offer and Grant Shares Under the Global Invacom Performance Share Plan 2013**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised to offer and grant awards in accordance with the provisions of the Global Invacom Performance Share Plan 2013 (the "**Global Invacom PSP**") and to issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Global Invacom PSP, provided always that the aggregate number of new shares to be allotted and issued pursuant to the Global Invacom PSP, the Scheme, and any other share scheme which the Company may have in place, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

[See Explanatory Note (iv)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

9. **Renewal of Share Buyback Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued shares of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases transacted through the SGX-ST's trading system or on another stock exchange on which the issuer's equity securities are listed ("**Market Acquisition**"); or

(ii) off-market purchases in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Acquisition**"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases and acquisitions of shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means that number of shares representing 10% of the issued shares as at the date of the passing of this Resolution (excluding any shares which are held as treasury shares and subsidiary holdings);

"**Maximum Price**" in relation to a share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Acquisition of a Share, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Acquisition of a Share, 120% of the Average Closing Price,

where:

"**Average Closing Price**" is the average of the closing market prices of a share over the last five (5) market days on which the shares were transacted on the SGX-ST or, as the case may be, Other Exchange, preceding the day of the Market Acquisition or, as the case may be, the day of the making of the offer pursuant to an Off-Market Acquisition, as deemed to be adjusted for any corporate action that occurs during the relevant five (5) market days period and the day on which the purchase are made;

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of shares from shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition;

"**market day**" means a day on which the SGX-ST is open for trading in securities; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (v)] **(Resolution 9)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore, 12 April 2022

Explanatory Notes on Resolutions to be passed:

(i) The Ordinary Resolution 4 proposed in item 3 above, is to approve the payment of Directors' fees during the financial year in which the fees are incurred, that is, in financial year ending 31 December 2022 ("**FY2022**"), payable quarterly in arrears. Based on the remuneration structure as recommended by the Remuneration Committee and approved by the Board, the amount payable to the Non-Executive Director and Independent Directors for FY2022 would have been S$346,500. In view of the on-going challenges faced by the Group including the ongoing impact of COVID-19, the performance of the Group and to show support to all stakeholders including the staff, shareholders and management team, the Non-Executive Directors and Independent Directors volunteered to continue in taking a 15% reduction on their fees for FY2022, and hence, the Directors' fees for FY2022 is S$294,525.

(ii) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per centum (20%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

(iii) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above AGM until the next AGM of the Company, to allot and issue Shares in the capital of the Company to all the holders of options granted by the Company in accordance with the terms and conditions of the Scheme. The aggregate number of ordinary Shares which may be issued pursuant to the Scheme, the Global Invacom PSP and any other share scheme is limited to fifteen per centum (15%) of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

(iv) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of the above AGM until the next AGM of the Company, to offer and grant awards under the Global Invacom PSP in accordance with the provisions of the Global Invacom PSP and to issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the awards under the Global Invacom PSP subject to the maximum number of Shares prescribed under the terms and conditions of the Global Invacom PSP. The aggregate number of ordinary Shares which may be issued pursuant to the Global Invacom PSP, the Scheme and any other share scheme is limited to fifteen per centum (15%) of the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

NOTICE OF ANNUAL GENERAL MEETING

(v) The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which purchases and acquisitions of shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price. Information relating to this proposed Resolution are set out in the Appendix attached to this Notice of AGM.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held, by way of electronic means pursuant to the provision of the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period".

Copies of the documents and information relating to the AGM (including the Annual Report FY2021, Notice of AGM and Proxy Form) have been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

(i) https://www2.sgx.com/securities/company-announcements; or

(ii) https://globalinvacom.com/pages/investor-relations.

Shareholders should take note of the following arrangements for the AGM:

(a) Participation in the AGM via Live Webcast

The AGM will be conducted only by way of electronic means, and shareholders will **not** be able to attend the AGM in person. Shareholders will also **not** be able to vote online on the resolutions to be tabled for approval at the AGM. Shareholders may instead participate in the AGM by:–

(i) Observing and/or listening to the proceedings of the AGM through a "live" audio-visual webcast and "live" audio-only feed;

(ii) Submitting questions in relation to any agenda item in this notice of AGM in advance of the AGM; and/or

(iii) Appointing the chairman of the AGM ("**Chairman**") as proxy to vote on their behalf in accordance with their vote instructions.

Details of the steps for pre-registration, pre-submission of questions and voting at the AGM are set out in items (b) to (e) below.

(b) Pre-registration for AGM

Shareholders, including investors who hold shares through the Central Provident Fund ("**CPF**") and/or Supplementary Retirement Scheme ("**SRS**"), who wish to follow the proceedings of the AGM must pre-register online at https://complete-corp.com/globalinvacom-agm/ no later than **22 April 2022, 4.00 p.m.** ("**Pre-Registration Deadline**") for verification purposes. Following successful verification, an email with instructions on how to join the live webcast or audio feed of the AGM proceedings will be sent to the registered shareholders via email by 26 April 2022, 4.00 p.m. Shareholders must not forward the email instruction to other persons who are not shareholders and who are not entitled to attend the AGM proceedings. This is also to avoid any technical disruptions or overload to the AGM proceedings.

Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register for the live webcast of the AGM. An Investor who wishes to participate in the live webcast of the AGM should approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number), via email to the Company at globalinvacom-agm@complete-corp.com no later than **22 April 2022, 4.00 p.m.**.

NOTICE OF ANNUAL GENERAL MEETING

Shareholders and Investors who have registered by the Pre-Registration Deadline but did not receive the aforementioned email by **26 April 2022, 4.00 p.m.** should contact the Company by email to globalinvacom-agm@complete-corp.com.

(c) Submission of Questions

Shareholders and Investors will not be able to ask questions during the AGM proceedings.

Shareholders and Investors who have questions in relation to any agenda item in this notice of AGM can submit their questions to the Company in advance, by 20 April 2022, 4.00 p.m., through any of the following means:

(i) by email to globalinvacom-agm@complete-corp.com; or

(ii) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

Shareholders and/or Investors must identify themselves when posting questions through email or mail by providing the following details:

(i) Full Name;

(ii) Contact Telephone Number;

(iii) Email Address; and

(iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

In view of the current COVID-19 situation, Shareholders and Investors are strongly encouraged to submit their questions by email. The Company will address all substantial and relevant questions through an announcement on SGXNet at the URL https://www2.sgx.com/securities/company-announcements and the Company's website at the URL https://globalinvacom.com/pages/investor-relations by 22 April 2022.

Follow up questions which are submitted after 4.00 p.m. on 20 April 2022 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

(d) Voting at the AGM by appointing Chairman as Proxy (Submit a Proxy Form)

For Investors who hold shares through relevant intermediaries please refer to item (e) for the procedures to vote at the AGM.

Shareholders will only be able to vote at the AGM by appointing the Chairman as proxy to vote on their behalf. Duly completed Proxy Forms must be submitted through any of the following means not later than **25 April 2022, 4.00 p.m.** (being no later than forty-eight (48) hours before the time appointed for holding the AGM):

(i) by email to main@zicoholdings.com; or

(ii) by post, to be deposited with the Company's Share Registrar at B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

The Proxy Form has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www2.sgx.com/securities/company-announcements and https://globalinvacom.com/pages/investor-relations.

NOTICE OF ANNUAL GENERAL MEETING

In appointing the Chairman of the Meeting as proxy, the Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Please refer to the detailed instructions set out in the Proxy Form.

(e) Voting at the AGM by Relevant Intermediary Investors and CPF/SRS Investors

Relevant Intermediary Investors (including CPF/SRS investors) who wish to appoint the Chairman as their proxy to vote at the AGM should not make use of the Proxy Form and should instead approach their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS approved banks or depository agents to submit their votes by **15 April 2022**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf no later than **25 April 2022, 4.00 p.m.**.

Personal Data Privacy

"**Personal data**" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting (a) an application to pre-register for participation in the AGM via the Webcast; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing Chairman of the meeting as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company hereby consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) for the purposes of, (i) verifying the member's information and processing of the member's application to pre-register to participate in the AGM via the Webcast and providing the member with any technical assistance where possible; (ii) addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member; (iii) the processing and administration by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) of proxy forms appointing Chairman of the meeting for the AGM (including any adjournment thereof); and (iv) the preparation, compilation and disclosure (as application) of the attendance lists, minutes, questions from members and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) to comply with any applicable laws, listing rules, regulations and/or guidelines.

APPENDIX

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING 2022 DATED 12 APRIL 2022

This Appendix is circulated to Shareholders of Global Invacom Group Limited (the "**Company**") together with the Company's Annual Report. Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for the proposed renewal of the Share Buyback Mandate, to be tabled at the Annual General Meeting of the Company to be held by way of electronic means on Wednesday, 27 April 2022 at 4.00 p.m.

If you are in any doubts as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Appendix together with the Notice of the Annual General Meeting and the accompanying Proxy Form to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any of the statements made, reports contained/referred to, or opinions expressed in this Appendix.

global invacom
completing the picture

GLOBAL INVACOM GROUP LIMITED

(Company Registration Number: 200202428H)
(Incorporated in the Republic of Singapore)

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

in relation to:

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

DEFINITIONS

APPENDIX

In this Appendix, the following definitions apply throughout unless otherwise stated:

AGM	The annual general meeting of the Company
Annual Report	Annual Report of the Company for the financial year ended 31 December 2021
Approval Date	The date on which the Share Buyback Mandate is approved by the Shareholders at the AGM
CDP	The Central Depository (Pte) Limited
Constitution	The Constitution of the Company
Companies Act	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
Controlling shareholder	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
Director(s)	The director(s) of the Company as at the date of issue of this Appendix together with the Notice of AGM
EPS	Earnings per Share
Group	The Company and its subsidiaries and associated companies
Latest Practicable Date	28 March 2022, being the latest practicable date prior to the date of this Appendix
Listing Manual	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time
LPS	Loss per Share
Market Day	A day on which the SGX-ST is open for trading in securities
Market Acquisition	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
Maximum Price	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
NAV	Net asset value
Notice of AGM	The notice of the AGM of the Company to be held by way of electronic means on Wednesday, 27 April 2022 at 4.00 p.m.
NTA	Net tangible assets
Off-Market Acquisition	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
Proxy Form	The proxy form sent with the Notice of AGM

APPENDIX

Relevant Period	The period commencing from the date when the last AGM was held or was required by law to be held before the resolution relating to the Share Buyback Mandate is passed, and expiring on the date when the next AGM is or required by law to be held, whichever is the earlier after the said resolution is passed
Share Buyback Mandate	The proposed general mandate given by Shareholders to authorise the directors to purchase or otherwise acquire its Shares, the terms of which are set out in Section 2 of this Appendix
S$ and cents	Singapore dollars and cents respectively, being the lawful currency of Singapore
SGX-ST	Singapore Exchange Securities Trading Limited
Share Buyback	The purchase of Shares by the Company pursuant to the terms of the Share Buyback Mandate
Share(s)	Ordinary share(s) in the capital of the Company
Shareholder(s)	Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the depositors whose securities accounts maintained with CDP are credited with Shares
Take-over Code	The Singapore Code on Take-overs and Mergers, as modified and amended from time to time, and all practice notes, rules and guidelines thereafter, as may be issued or amended from time to time
US$ and US cents	United States dollars and cents respectively, being the lawful currency of the United States of America

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GLOBAL INVACOM GROUP LIMITED

(Company Registration Number: 200202428H)
(Incorporated in the Republic of Singapore)

Directors

Anthony Brian Taylor (Executive Chairman)
Gordon Blaikie (Executive Director)
John Lim Yew Kong (Lead Independent Director)
Cosimo Borrelli (Independent Director)
Wayne Robert Porritt (Independent Director)
Kenny Sim Mong Keang (Non-Executive Director)

Registered Office:

8 Temasek Boulevard
#18-02A Suntec Tower Three
Singapore 038988

12 April 2022

To: The Shareholders

Dear Sir/Madam,

APPENDIX RELATING TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide Shareholders with the relevant information, and to seek Shareholders' approval at the AGM of the Company in relation to the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares.

2. PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 INTRODUCTION

Shareholders' approval is being sought at the AGM for the proposed renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the Approval Date and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution, the rules of the Listing Manual, and such other laws and regulations as may for the time being be applicable.

2.2 RATIONALE AND BENEFITS

The rationale for the Share Buyback Mandate is as follows:

(a) The Directors and management constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A Share Buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

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(b) The Share Buyback Mandate provides the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash/funds over and above its ordinary capital requirements, which are in excess of the financial and possible investment needs of the Group, to its Shareholders.

(c) The Share Buyback Mandate allows the Directors to optimise the share capital structure of the Group as well as provide flexibility (i) to purchase Shares; and (ii) over its dividend policy.

(d) Short-term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and the Group. The Share Buyback Mandate provides the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share-price situation through judicious Share Buybacks to enhance the EPS and/or the NAV per Share. The Share Buybacks enhance the NAV per Share if the share buybacks are made at a price below the NAV per Share.

(e) In addition, Shares purchased or acquired pursuant to the Share Buyback Mandate and which are held as treasury shares may be utilised by the Company to satisfy options or awards granted under any employee share scheme, thus giving the Company greater flexibility to select the most beneficial method of providing Shares to employees.

If and when circumstances permit, the Directors will decide whether (a) to effect the Share Buybacks via market purchases or off-market purchases; (b) to make the Share purchases using the capital and/or the profits of the Company; and (c) the Shares purchased should be held as treasury shares or cancelled, after taking into account the amount of surplus cash (if any) available, the prevailing market conditions and the most cost-effective and efficient approach.

The Directors only propose to carry out purchases or acquisitions of Shares pursuant to the Share Buyback Mandate as and when they consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or financial position of the Group, or result in the Company being de-listed from the SGX-ST.

2.3 TERMS

The authority and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of Shares of the Company as at the Approval Date (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding any treasury shares that may be held by the Company from time to time)). For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date of S$98,041,956 comprising 271,662,227 Shares and assuming that no further Shares are issued on or prior to the AGM, not more than 27,166,222 Shares (representing approximately 10% of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

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2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(i) the date on which the next AGM is held or required by law to be held;

(ii) the date on which the Share Buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

2.3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

(i) on-market purchases ("**Market Acquisition**"), transacted on the SGX-ST or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Acquisition**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the following conditions:

(a) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

(aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;

(bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share Buyback;

(d) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST; and

(f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Acquisition or Off-Market Acquisition), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) Whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

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2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(i) in the case of a Market Acquisition, 105% of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Acquisition pursuant to an equal access scheme, 120% of the Average Closing Price

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes,

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Acquisition by the Company or, as the case may be, the date of the making of the offer (as defined hereinafter) pursuant to the Off-Market Acquisition, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days period and the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Acquisition.

2.4 STATUS OF PURCHASED SHARES

2.4.1 Cancellation of Shares

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.4.2 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

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In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

The Company will make immediate announcement of any sale, transfer, cancellation and/or usage of treasury shares in accordance with Rule 704(28) of the Listing Manual.

2.5 SOURCES OF FUNDS

In financing the Share Buyback, the Company may only apply funds legally available in accordance with its Constitution and the applicable laws in Singapore.

The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Share Buyback by the Company shall be made out of the Company's capital and/or or distributable profits that are available for payment as dividends so long as the Company is solvent.

For the purposes of the Companies Act, the Company is solvent if it is able to pay its debts in full at the time of the payment for the Share Buyback and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment. In addition, the value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities) and will not after the Share Buyback, become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements and all other relevant circumstances, and may rely on valuations or estimates of assets or liabilities that are reasonable in the circumstances. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any claims that the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company may use internal source of funds and/or external borrowings to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected.

2.6 FINANCIAL EFFECTS

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) that may be made pursuant to the Share Buyback Mandate as the financial effects

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on the Company and the Group will depend on factors such as, *inter alia*, the aggregate number of Shares purchased or acquired, the purchase prices at the relevant time of purchase or acquisition, the amount (if any) borrowed by the Company to fund the Share Buyback, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition.

Where the purchased or acquired Shares are cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired by the Company. If, on the other hand, the purchased or acquired Shares are not cancelled but held in treasury, then there will be no change in the Company's issued capital.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and of the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through borrowings, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

2.6.1 Purchase or Acquisition Out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

In any case, no purchase or acquisition of Shares, whether out of capital and/or profits, will be made in circumstances which would have or may have a material adverse effect on the liquidity, working capital requirements and gearing of the Company or the liquidity and capital adequacy position of the Group as a whole.

2.6.2 Number of Shares Acquired or Purchased

Based on 271,662,227 issued Shares as at the Latest Practicable Date and on the assumptions set out in Section 2.3.1, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 27,166,222 Shares.

2.6.3 Based on Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires 27,166,222 Shares (representing the maximum limit of 10% of its issued Shares) at the Maximum Price, the maximum amount of funds required is approximately:

(a) in the case of Market Acquisition of Shares, S$1,901,635.54 based on S$0.070 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date); and

(b) in the case of Off-Market Acquisition of Shares, S$2,173,297.76 based on S$0.080 for one Share (being the price equivalent to 20% above the Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date).

The Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date was S$0.067.

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For illustrative purposes only, on the basis of the assumptions set out above as well as the following:

(a) the Share Buyback Mandate had been effective on 1 January 2021;

(b) there was no issuance of Shares, whether pursuant to the exercise of share options and/or vesting of awards or otherwise, after the Latest Practicable Date;

(c) there was no usage and/or cancellation of treasury shares after the Latest Practicable Date; and

(d) such Share purchases are funded solely by internal resources and/or external borrowings,

the financial effects on the audited financial statements of the Company and the Group for the financial year ended 31 December 2021 would have been as set out below.

	Market Acquisition			
	Company		**Group**	
	Before Share Purchase US$'000	**After Share Purchase US$'000**	**Before Share Purchase US$'000**	**After Share Purchase US$'000**
Total Equity	42,122	40,722	47,384	45,984
NTA	42,122	40,722	39,594	38,194
Current Assets	6,008	4,608	55,778	54,378
Current Liabilities	352	352	26,673	26,673
Working Capital	5,656	4,256	29,105	27,705
Net Debt	196	1,596	19,142	20,542
No. of Issued Shares (in Thousand)	271,662	244,496	271,662	244,496
Financial Indicators				
NTA per Share (US cents)	15.51	16.66	14.57	15.62
Gearing (Net D/E)	0.5%	3.9%	40.4%	44.7%
Current Ratio (times)	17.07	13.09	2.09	2.04
Basic (LPS)/EPS (US cents)	(0.80)	(0.88)	0.21	0.23

	Off-Market Acquisition			
	Company		**Group**	
	Before Share Purchase US$'000	**After Share Purchase US$'000**	**Before Share Purchase US$'000**	**After Share Purchase US$'000**
Total Equity	42,122	40,522	47,384	45,784
NTA	42,122	40,522	39,594	37,994
Current Assets	6,008	4,408	55,778	54,178
Current Liabilities	352	352	26,673	26,673
Working Capital	5,656	4,056	29,105	27,505
Net Debt	196	1,796	19,142	20,742
No. of Issued Shares (in Thousand)	271,662	244,496	271,662	244,496
Financial Indicators				
NTA per Share (US cents)	15.51	16.57	14.57	15.54
Gearing (Net D/E)	0.5%	4.4%	40.4%	45.3%
Current Ratio (times)	17.07	12.52	2.09	2.03
Basic (LPS)/EPS (US cents)	(0.80)	(0.88)	0.21	0.23

Notes:

(1) NTA means Net Tangible Assets; Net D/E means Net Debt-to-Equity; LPS means Loss Per Share and EPS means Earnings Per Share

(2) The disclosed financial effects remain the same irrespective of whether:
   (a) the purchase of the Shares is effected out of capital or profits; or
   (b) the purchased Shares are held in treasury or are cancelled.

(3) NTA equals total equity less non-controlling interests and intangible assets. NTA per Share is calculated based on the number of issued Shares excluding treasury shares.

(4) Current Ratio equals Current Assets divided by Current Liabilities.

(5) The exchange rate between S$ and US$ used for the Average Closing Price was S$1.3581 to US$1.00. (Source: Bloomberg)

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Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the analysis above is based on historical numbers and is not necessarily representative of future financial performance of the Company. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of Shares issued by the Company as at the date that the Share Buyback Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the total number of Shares issued in full. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.7 TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of share repurchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 REPORTING REQUIREMENTS UNDER THE COMPANIES ACT

Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

2.9 LISTING MANUAL RULES

Under the Listing Manual, a listed company may only purchase shares by way of Market Acquisition at a price per share which is not more than 5% above the average closing market price, being the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made. The Maximum Price for a Share in relation to Market Acquisition by the Company, referred to in Section 2.3.4 of this Appendix, conforms to this restriction.

Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of Off-Market Acquisition, the Company has set a cap of 20% above the Average Closing Price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Acquisition.

Rule 886 of the Listing Manual specifies that a listed company shall notify all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(a) in the case of a Market Acquisition, on the Market Day following the day of purchase or acquisition of any of its shares; and

(b) in the case of an Off-Market Acquisition under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) shall include *inter alia*, details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, the purchase price per share (or the highest price and lowest price per share in the case of Market Acquisition), the total consideration (including stamp duties and clearing charges) paid for the shares and the number of issued shares (excluding treasury shares) after purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information

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has been publicly announced. In particular, in line with the best practices guide on securities dealings set out in the Listing Manual, the Company will not purchase or acquire any Shares during the period of one month before the announcement of the Company's half year and full year financial statements or, where the Company is required to announce quarterly financial statements, during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

2.10 LISTING STATUS OF THE SGX-ST

The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding preference shares and convertible equity securities) in any class that is listed is at all times held by the public. The "public", as defined under the Listing Manual, are persons other than Directors, chief executive officer and substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 178,858,907 Shares in the hands of the public (as defined above), representing 65.84% of the issued and paid-up share capital of the Company. Assuming that the Company purchases 27,166,222 Shares through Market Acquisition up to the full 10% limit pursuant to the Share Buyback Mandate, the number of Shares in the hands of the public would be reduced to 151,692,685 Shares, representing 55.84% of the issued and paid-up share capital of the Company as at the Latest Practicable Date.

In undertaking any purchases of its Shares through Market Acquisition, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the Share Buyback(s) will not:

(a) adversely affect the listing status of the Shares on the SGX-ST;

(b) cause market illiquidity; or

(c) adversely affect the orderly trading of Shares.

2.11 TAKE-OVER IMPLICATIONS UNDER THE TAKE-OVER CODE

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

Under Rule 14 of the Take-over Code, a person, unless exempted, will be required to make a general offer for a public company if:

(i) he acquires 30% or more of the voting rights of the company; or

(ii) he already holds between 30% and 50% of the voting rights of the company, and he increases his voting rights in the company by more than 1% in any period of six months.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

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Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

(a) a company with any of its directors; and

(b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the equity share capital of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a takeover offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increase their voting rights by more than 1% in any period of six months.

The Directors are not aware of any facts or factors which suggest or imply that any particular Shareholder is, or may be regarded as, a party acting in concert such that his interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

The Directors are not aware of any Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of Shares under the Share Buyback Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.

2.12 SHARES PURCHASED BY THE COMPANY

The Company has not purchased any Shares in the 12 months preceding the Latest Practicable Date.

APPENDIX

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 DIRECTORS' INTERESTS

The interests of the Directors, direct or indirect, in the Shares as extracted from the Company's Register of Directors' Shareholdings, as at the Latest Practicable Date, are as set out below:

	Direct Interest		Deemed Interest	
Director	**Number of Shares**	**%(1)**	**Number of Shares**	**%(1)**
Anthony Brian Taylor	11,139,702	4.10	–	–
Gordon Blaikie	–	–	–	–
Kenny Sim Mong Keang	–	–	–	–
John Lim Yew Kong	15,000	0.005	–	–
Cosimo Borrelli	–	–	497,900(2)	0.183
Wayne Robert Porritt	–	–	–	–

Notes:
(1) Percentage of shareholding is calculated based on 271,662,227 Shares.
(2) Mr Cosimo Borrelli is deemed interested in 497,700 Shares held by Joe Harper Limited, by virtue of Section 7 of the Companies Act.

The Executive Directors of the Company has been granted the following options under the Global Invacom Employee Share Option Scheme 2013:

	Options Granted on 7 July 2013	Options Granted on 22 June 2015	Options Granted on 9 March 2016	Total Options Granted
Anthony Brian Taylor	1,890,000	1,890,000	–	3,780,000
Gordon Blaikie	644,000	650,000	900,000	2,194,000

3.2 SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the substantial Shareholders, direct or indirect, in the Shares as extracted from the Company's Register of Substantial Shareholders, as at the Latest Practicable Date, are as set out below:

	Direct Interest		Deemed Interest	
Substantial Shareholders	**Number of Shares**	**%(1)**	**Number of Shares**	**%(1)**
Gregory Knox Jones	–	–	24,334,179(2)	8.96
EGCP II Satellite Holdings, LLC ("**EGCP**")	–	–	24,334,179(3)	8.96
Neo Chee Beng	7,000	0.002	18,231,000(4)	6.71
Tan Seng Hock	8,456,500	3.11	7,307,500(5)	2.69

Notes**:**
(1) Percentage of shareholding is calculated based on 271,662,227 Shares.
(2) Mr Gregory Knox Jones is deemed interested in 24,334,179 Shares held by EGCP, by virtue of Section 7 of the Companies Act.
(3) EGCP is deemed interested in 24,334,179 Shares held through its nominee, by virtue of Section 7 of the Companies Act.
(4) Mr Neo Chee Beng is deemed interested in 18,231,000 Shares assigned to nominees, by virtue of Section 7 of the Companies Act.
(5) Mr Tan Seng Hock is deemed interest in 2,057,500 Shares held by Allplus Holdings Pte. Ltd., by virtue of his 83% shareholding in Allplus Holdings Pte. Ltd. and 5,250,000 Shares held by Coffee Express 2000 Pte. Ltd., by virtue of his 33.33% shareholding in Coffee Express 2000 Pte. Ltd.

APPENDIX

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale and benefit of the proposed renewal of the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. For the reasons set out in Section 2.2 of this Appendix, the Directors recommend that Shareholders vote in favour of Resolution 9, being the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate at the forthcoming AGM to be held by way of electronic means on Wednesday, 27 April 2022 at 4.00 p.m.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

In view of the ongoing COVID 19 outbreak, the Company will be conducting the AGM by electronic means pursuant to the provisions of the COVID-19 Business Trusts, Unit Trusts and Debentures Holders) Order 2020 ("**Order**") and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 13 April 2020 and (updated on 4 February 2022) titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation".

Shareholders who wish to appoint Chairman of the AGM as proxy to vote on their behalf should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible such that the Company receives it, not less than 48 hours before the time fixed for the AGM.

A depositor holding shares through CDP in Singapore shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP, not less than 72 hours before the time fixed for the AGM.

6. INSPECTION OF DOCUMENTS

The Annual Report of the Company may be accessed on SGXNet at the following URL: https://www.sgx.com/securities/company-announcements and is also available on the Company's website at the following URL: https://www.globalinvacom.com

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm that after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the matters stated in the Appendix, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors
GLOBAL INVACOM GROUP LIMITED

Anthony Brian Taylor
Executive Chairman

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GLOBAL INVACOM GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 200202428H)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Notice of AGM dated 12 April 2022 which has been uploaded on SGXNet and the Company's website on the same day.
2. A shareholder WILL NOT be able to attend the AGM in person. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
3. For CPF, or SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing the Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2022.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a shareholder's proxy to vote on his/her/its behalf at the AGM.

*I/We, ______________________ (Name) ______________________ (*NRIC/Passport/Registration No.)

of ____ (Address)

being a *shareholder/shareholders of **GLOBAL INVACOM GROUP LIMITED** (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means via live webcast on Wednesday, 27 April 2022 at 4.00 p.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder.

(Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes for or against a resolution to be proposed at the AGM, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution to be proposed at the Meeting, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

No.	Ordinary Resolutions relating to	FOR#	AGAINST#	ABSTAIN#
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2.	Re-election of Mr Kenny Sim Mong Keang as a Director			
3.	Re-election of Mr Gordon Blaikie as a Director			
4.	Approval of payment of Directors' fees for the financial year ending 31 December 2022 amounting to S$294,525, payable quarterly in arrears			
5.	Re-appointment of Moore Stephens LLP as Auditors			
6.	Authority to allot and issue Shares			
7.	Authority to allot and issue Shares under the Global Invacom Share Option Scheme 2013			
8.	Authority to offer and grant Shares under the Global Invacom Performance Share Plan 2013			
9.	Renewal of the Share Buyback Mandate			

** Delete where inapplicable*

Dated this ________ day of ______________ 2022

Total Number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: Please read the notes overleaf for this Proxy Form.

Notes:

(1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you.

(2) A shareholder will not be able to vote through the live webcast and voting is only through submission of proxy form. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(3) The Chairman of the Meeting, as a proxy, need not be a member of the Company.

(4) The instrument appointing Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(5) Where this instrument appointing Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

(6) If the Chairman of the Meeting as proxy is to be appointed, the instrument appointing the Chairman of the Meeting as proxy, duly executed, must be submitted through any of the following means not later than forty-eight (48) hours before the time appointed for holding the AGM:

(i) by email a copy to main@zicoholdings.com; or

(ii) by post, to be deposited with the Company's Share Registrar at B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

(7) The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment the Chairman of the Meeting as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Depositor Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) to the Company.

Personal Data Privacy:

By submitting a proxy form appointing Chairman of the Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2022.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Anthony Brian Taylor
(Executive Chairman)

Gordon Blaikie
(Executive Director)

John Lim Yew Kong
(Lead Independent Director)

Cosimo Borrelli
(Independent Director)

Wayne Robert Porritt
(Independent Director)

Kenny Sim Mong Keang
(Non-Executive Director)

AUDIT AND RISK COMMITTEE

John Lim Yew Kong
(Chairman)
Cosimo Borrelli
Wayne Robert Porritt

NOMINATING COMMITTEE

Cosimo Borrelli
(Chairman)
John Lim Yew Kong
Wayne Robert Porritt
Anthony Brian Taylor

REMUNERATION COMMITTEE

Wayne Robert Porritt
(Chairman)
Cosimo Borrelli
John Lim Yew Kong

COMPANY SECRETARY

Yoo Loo Ping

REGISTERED OFFICE

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Website: www.globalinvacom.com

AUDITORS

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Public Accountants and Chartered Accountants
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Fax: +65 6221 3815

AUDIT PARTNER-IN-CHARGE
Christopher Bruce Johnson
(Appointed with effect from financial year ended 31 December 2018)

SHARE REGISTRAR

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completing the picture

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