



**GLOBAL INVACOM GROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200202428H)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED  
("SGX-ST") ON THE FULL YEAR RESULTS FOR FY2022**

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The Board of Directors (the "**Board**") of GLOBAL INVACOM GROUP LIMITED (the "**Company**") refers to the following queries raised by the SGX-ST on 10 March 2023 and would like to provide additional information in relation to the Company's full year results for the financial year ended 31 December 2022 ("**FY2022**"), as follows:

**SGX-ST's Query 1:**

Please disclose:

- (i) the nature of the non-current receivables; and

**Company's response to Query 1(i):**

The non-current receivables of US\$54,000 are deposits for electricity and water for the Group's subsidiary in the United States.

- (ii) the Board's assessment of the recoverability of the non-current other receivables and prepayments.

**Company's response to Query 1(ii):**

The Board is of the opinion that the non-current other receivables and prepayments are recoverable.

**SGX-ST's Query 2:**

It is disclosed on page 17 of the unaudited financial statements that the impairment charge in 2H FY2022 and FY2022 was attributed to a goodwill impairment of US\$5.2 million, which is non-cash in nature, related to the performance of the Group's US subsidiary. The requirement to recognise this charge has arisen due to the sustained loss making position of the Group's US subsidiary. In this regard, please disclose the following information:

- (i) how the amount of impairment was determined;
- (ii) whether any valuation was conducted; the value placed on the relevant assets; the basis and the date of such valuation;

**Company’s response to Queries 2(i) & 2(ii):**

The Group has goodwill of US\$5.2 million allocated to the United States subsidiary cash-generating units (“CGUs”) as at 31 December 2022.

These CGUs are tested for impairment annually. Management applies the value in use 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.

- (iii) the Board’s confirmation as to whether it is satisfied with the reasonableness of the methodologies used to determine amount of impairment.

**Company’s response to Query 2(iii):**

The Board is satisfied with the reasonableness of the methodologies used to determine the amount of impairment.

**SGX-ST’s Query 3:**

Please explain why no interest income was recorded during the financial period ended 31 December 2022 when the Company has significant cash and bank balance amounting to US\$9,244,000.

**Company’s response to Query 3:**

The majority of the Group’s cash and cash balances are in the United Kingdom bearing either zero or very low interest, resulting in interest income of less than US\$100 which is below the reporting threshold.

**SGX-ST’s Query 4:**

Please provide information on the Group’s inventory turnover days.

**Company’s response to Query 4:**

The Group’s inventory turnover days are as follows:

	<b>FY2022</b>	<b>FY2021</b>
Inventory turnover days	150 days	145 days

**SGX-ST’s Query 5:**

Please disclose a breakdown of other payables amounting to US\$3,109,000 and US\$4,447,000 as at 31 December 2022 and 31 December 2021 respectively. For other payables, please disclose the nature of these other payables and whether the counterparties are related parties.

**Company's response to Query 5:**

The nature of other payables are as follows:

	<b>FY2022 US\$'000</b>	<b>FY2021 US\$'000</b>
Accrued operating expenses	1,574	2,409
Provision for warranty	148	235
Customers advances received	781	1,085
GST/VAT payables	84	177
Other creditors	522	693
	<u>3,109</u>	<u>4,599</u>

No counterparties are related parties.

**SGX-ST's Query 6:**

Please confirm if there are any outstanding convertibles and if yes, the number shares that may be issued on conversion of the outstanding convertibles.

**Company's response to Query 6:**

There are no outstanding convertibles.

BY ORDER OF THE BOARD

**Gordon Blaikie**  
Interim Chief Executive Officer

14 March 2023

**For further information, please contact:**

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