



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

**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
("SGX-ST") ON ANNOUNCEMENT DATED 13 DECEMBER 2023**

The Board of Directors (the "**Board**") of GLOBAL INVACOM GROUP LIMITED (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following queries raised by the SGX-ST on 18 December 2023 and would like to provide additional information in relation to the Company's announcement dated 13 December 2023, titled "Updates on Group's Business and Operations" (the "**Announcement**") as follows.

Save as expressly stated or the context otherwise requires, capitalised terms shall have the meanings ascribed to them in the Announcement.

SGX-ST's Query 1:

Please disclose the relative figures under Listing Rule 1006 and the category of transaction with regard to the sale of certain machinery.

Company's response to Query 1:

Based on the latest announced consolidated interim financial statements of the Group for the six months ended 30 June 2023 ("**1H FY2023**"), the relative figures in relation to the sale of certain machinery relating to the SMC manufacturing activities of GSW computed on the bases set out in Rule 1006 of the Listing Rules of the SGX-ST are as follows:

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	The net asset value of GSW's Machinery ⁽¹⁾ compared with the Group's net asset value as at 30 June 2023 ⁽²⁾ .	1.19
(b)	The net profits ⁽³⁾ attributable to GSW's Machinery compared with the Group's net profits ⁽⁴⁾ for the six months ended 30 June 2023 ⁽²⁾ .	(207.14)
(c)	The aggregate value of the Purchase Consideration compared with the Company's market capitalisation of US\$8,764,613 on 30 November 2023 ⁽⁵⁾ .	54.20
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable

Rule 1006	Bases of Calculation	Relative Figure (%)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not Applicable

Notes:

- (1) Net book value of GSW's Machinery as at 30 June 2023.
- (2) Based on latest announced consolidated financial statements for 1H FY2023.
- (3) Profits attributable to the sale of GSW's Machinery.
- (4) Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (5) Under Rule 1002(5) of the Listing Manual, the market capitalisation of the Company is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the disposal.

The Company undertook a strategic review of its North American operations under Satellite Acquisition Corporation trading as Global Skyware ("**GSW**") as mentioned in the announcement dated 13 December 2023 as part of the wider ongoing operational restructuring. The Company was of the view that outsourcing a certain part of GSW's manufacturing activities consisting of SMC products was in the best interest of the Group in order to operate more efficiently and cost effectively.

One of the key conditions for the outsourcing of SMC production was the Company's capability to continue to service its customers.

After much discussion, it was agreed with the outsourcing Supplier that certain machinery used for SMC production (the "**Machinery**") will be sold to the Supplier to achieve the best outcome. Some of the employees at the current facility would also be transferred over to the Supplier to ensure the quality of the manufactured SMC products. As such, the Group had agreed to the sale of certain machinery to the Supplier in order to ensure the consistency and quality of its SMC products.

SGX-ST's Query 2:

Please disclose the net book value of the machinery to be disposed and the independent valuation figure prepared for the Board. With regard to the independent valuation, please disclose the party who commissioned the valuation and the basis and date of such valuation.

Company's response to Query 2:

The net book value of the Machinery is US\$386,000 as of the latest announced consolidated interim financial statements of the Group for 1H FY2023.

Valuation for the Machinery was carried out by UPM, LLC (USA) on 26 June 2023 with a fair market valuation of between US\$1.167 million and US\$1.945 million.

SGX-ST's Query 3:

Please disclose the factors taken into account in arriving at the value of the consideration for the sale of certain machinery.

Company's response to Query 3:

The consideration for the sale of Machinery was arrived at arm's length negotiations between the Group and Supplier on a willing buyer willing seller basis taking into account the value of the machinery as well as the outsourcing agreement and the transfer of some production employees and facilities.

SGX-ST's Query 4:

Please disclose the conditions to be fulfilled by the Company, GSW and/or the Supplier for the completion of the agreement.

Company's response to Query 4:

As mentioned in the announcement, the balance sum from the Sale Price of US\$330,000 is currently held in escrow subject to GSW's ability to renew the remaining proportion of the lease at the end of 2024.

The Group has entered into a Supply agreement for the outsourced function to be performed by the Supplier, which shall become effective upon mutual agreement, currently expected to be on or before 1 February 2024. In addition, the Group has entered into agreement to transfer the SMC manufacturing machinery and is further finalising a Deed of Amendment with its landlord to novate the SMC production space to the Supplier.

There were no other terms or conditions for the sale of the Machinery.

SGX-ST's Query 5:

Please disclose whether the disposal of the Company's leased manufacturing location has been completed and when it was completed.

Company's response to Query 5:

The transfer of around 162,000 sq ft of the company's leased manufacturing location is being reverted to the landlord and will be transferred to the Supplier once the terms of their lease are finalised, currently expected to be completed on or before 1 February 2024. GSW will retain approximately 210,000 sq ft of manufacturing and warehousing space to produce other products.

BY ORDER OF THE BOARD

Gordon Blaikie

Executive Director and Interim Chief Executive Officer

22 December 2023