

# Annual Report

2023

Products & Solutions  
for New Space



# CONTENTS

<b>1</b>	Corporate Profile	<b>61</b>	Directors' Statement
<b>2</b>	Joint Statement from Chairman & Chief Executive Officer	<b>68</b>	Independent Auditor's Report
<b>6</b>	Financial and Operations Highlights	<b>72</b>	Consolidated Statement of Comprehensive Income
<b>7</b>	Corporate Milestones	<b>73</b>	Statements of Financial Position
<b>8</b>	Board of Directors	<b>74</b>	Consolidated Statement of Changes in Equity
<b>10</b>	Key Management	<b>75</b>	Consolidated Statement of Cash Flows
<b>11</b>	Corporate Structure	<b>76</b>	Notes to the Financial Statements
<b>12</b>	Sustainability Report	<b>142</b>	Shareholders' Information
<b>33</b>	Task Force on Climate-Related Financial Disclosures Report	<b>144</b>	Notice of Annual General Meeting Proxy Form
<b>38</b>	Report on Corporate Governance	<b>IBC</b>	Corporate Information

# CORPORATE PROFILE

Global Invacom Group Limited (“**Global Invacom**” or the “**Group**”) is an independent, fully integrated, satellite ground network equipment provider listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 2012.

The Group offers a comprehensive portfolio of satellite ground network equipment products and solutions that cater to the needs of some of the industry’s main market sectors, including:

- Satellite Communications (“**Satcom**”);
- Satellite Broadcast Television (“**SatTV**”); and
- Global Navigation Satellite Systems (“**GNSS**”).

Designed, developed and manufactured in-house, the Group’s portfolio comprises multiple innovative patented technologies and manufacturing processes that span the following specialist domains:

- Radio Frequency (“**RF**”) electronics;
- Metal and light-weight composite antennas;
- Antenna multi-axis steering and tracking systems;
- Radio Frequency over Fibre (“**RFoF**”) transport and distribution; and
- Waveguide transport and distribution.

The Group has many of its products in-house, thereby optimising supply chain reliability and quality assurance for its clients.

The Group has undertaken a number of acquisitions since 2015, expanding and enhancing its product suite. Global Skyware, acquired in 2015, added antennas and related products which was complimented by the acquisition of Skyware Technologies (RF Electronics) in September 2018.

In 2019, the Group completed the acquisition of Apexsat product lines for motorised and quick deploy antenna systems, including systems capable of acquiring and retaining Low Earth Orbit (“**LEO**”) and Medium Earth Orbit (“**MEO**”) satellites and high speed drone tracking. This has provided the Group with access to the rapidly emerging and expanding market for Non-Geostationary Satellite Orbit (“**NGSO**”) gateways and user terminals.

Alongside the expansion of the product range through acquisition, the Group remains committed to driving technological innovation and development, ensuring its products meet the evolving needs of its customer base, and maintaining its reputation for developing best-in-class products and solutions for the satellite ground equipment industry.

In order to maintain its position as a leading innovator in the satellite ground equipment sector, the Group maintains research and development sites in multiple locations, currently employing 45 engineers across five countries. The Group also owns 74 patents, with a further 21 pending and 10 active new applications. Over the course of the Group’s 39-year track record as an industry pioneer, Global Invacom Group has demonstrated its significant expertise and industry reputation to develop and commercialise market-leading and innovative satellite ground equipment, and is highly respected by service providers and network operators as a “go-to” collaborator on new product design and development as new technologies and use-cases emerge.

With a truly global customer base, the Group has established global sales teams and reseller networks in three key territories, the United States, Europe, Middle East and Africa (“**EMEA**”), and Asia – to ensure same time zones access to its customers.

The Group also makes use of manufacturing plants located across different continents. In 2020, Global Invacom completed the relocation of its manufacturing operations to the Philippines, reducing the Group’s exposure to trade disputes between the U.S. and China.

As demand for data and connectivity grows exponentially and shows no signs of abating, Global Invacom Group continue to be well placed with its products to deliver cutting-edge technology and reliable products and solutions to its customers.





# JOINT STATEMENT FROM CHAIRMAN & CHIEF EXECUTIVE OFFICER

“The Group is committed to strengthening its SatCom product and solutions portfolio and value proposition through its investment in research and development, product management, sales, & marketing.”

## Dear Shareholders,

We are pleased to present to you the annual report for Global Invacom Group Limited (“**Global Invacom**” or the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2023 (“**FY2023**”).

Over the course of FY2023, the Group has continued to secure contracts with leading, blue-chip players in the satellite ground equipment industry. Delivering pioneering, market-leading technology, products and solutions for customers ensures the Group retains its reputation and position as a key player in the satellite ground network equipment market.

Despite the continued challenges in the sector and operational challenges within the Group, the Company and its respective subsidiary management teams continued to display their commitment and focus throughout the year and on behalf of the Board, we would like to thank them for their continued dedication. None more so than their dedication to our strategic review process initiated in Q3 FY2022, which has yielded significant operational efficiencies and cost savings within our fixed cost base, particularly within our manufacturing subsidiary in the United States (“US”) where our property related costs in particular have been mitigated substantially.

These efforts, together with the profit on sale of our manufacturing equipment as part of our restructuring, are particularly evident in the order of magnitude

improvement in our Net Loss position for the fiscal year, and continues to grow financial resilience and our capacity for investment in growth, most notably in the Satellite Communications (“**SatCom**”) sector.

## FY2023 FINANCIAL REVIEW

The Group continued to see operational pressure across FY2023 delivering revenues of US\$64.4 million from US\$72.8 million the previous year (“**FY2022**”). However, the Group delivered an 10.0% increase in gross profit in FY2023 of US\$15.9 million from US\$14.4 million in FY2022. As a Group, we have focused on pursuing sales of higher margin added value products, thus improving the mix to drive Group profits. The Group’s gross profit margin has increased by 4.8 percentage points from 19.8% to 24.6%.

Geographically, Group revenue for FY2023 decreased in America and Europe by US\$7.6 million (-16.9%) and US\$1.4 million (-7.2%), respectively, and increased in Asia and Rest of the World by US\$0.4 million (+15.9%) and US\$0.2 million (+3.3%), respectively.

Following a US\$5.2 million impairment charge in FY2022 relating to the sustained loss-making position of the US manufacturing subsidiary, the Group management team committed to streamlining its core US manufacturing functions to stabilise operations and enhance efficiencies.

In December FY2023, the Group outsourced the manufacturing and assembly of its Semi Moulded

# JOINT STATEMENT FROM CHAIRMAN & CHIEF EXECUTIVE OFFICER



Compound (“**SMC**”) products of the US subsidiary to an independent third-party (“**the Supplier**”). This outsourcing also allowed the Group to sell certain machinery for a sum of US\$4.75 million. The sum of US\$4.42 million, as part of the proceeds from the sale, has been received by the Group. The remaining sum of the sale price was being held in escrow subject to the US subsidiary renewing its remaining proportion of the lease at the end of 2024. Following a renegotiation of the terms of this arrangement, as required by our landlord, the escrow requirement was waived and these funds have recently been remitted to the Group, which remains potentially liable for the related costs. Additionally, on 1 February 2024, concurrent with the start of the outsourced supply agreement, the Group was able to return some 162,000 square feet of the leased manufacturing facility, generating further cost savings. The Supplier has committed to continuing to provide these services for Global Invacom with minimal service disruption.

In March 2023, the Group completed the sale of its 49% investment in Fibre TV to Home Limited, a company incorporated in England and Wales, for a consideration of US\$272,000.

Administrative expenses, together with research and development expenses, for FY2023 increased 7.9% to US\$21.8 million compared to US\$20.2 million in FY2022, representing 33.9% and 27.8% of revenue, respectively, as a result of higher professional and advisor fees to streamline certain core functions across the Group.

Overall, the Group recorded a net loss of US\$1.0 million in FY2023, compared to a net loss of US\$15.5 million the prior year, representing a negative margin of 1.5% and 21.3%, respectively.

## DIVIDEND

No dividend has been declared for FY2023 due to the operating conditions faced by the Group.

## FY2023 OPERATIONAL REVIEW

Whilst the satellite ground equipment industry has continued to face global macroeconomic and developing technology challenges across FY2023, notably with continued supply chain pressures and delays to satellite launch schedules, the Group has continued to focus its subsidiaries on product development through close collaboration with key clients.

Demand for satellite television products continues to come under increased pressure due to the multitude of alternatives now available on the market. To counter this, we are seeing an increase in demand for satellite communications connectivity, a dynamic which is driving rapid expansion of Global Skyware’s product and solution portfolio. In FY2023, we introduced the Titan, a multi-orbit and multi-band gateway antenna platform concept for temporary (quick-deploy) or permanent installations. Using an ultra-robust, light-weight carbon fibre, Titan provides operators with total deployment flexibility and optimal price/performance.



## JOINT STATEMENT FROM CHAIRMAN & CHIEF EXECUTIVE OFFICER

Also introduced, was Obliquiti™, an end-to-end satellite communications platform provides cost effective broadband service delivery in multiple bands and multiple orbits.

After some delays, the XRJ Ka Band transceiver platform was formally launched in FY2023. Suitable for LEO, MEO and GEO user-terminal and gateway applications, it has been well received by customers since shipping commenced in Q3 FY2023 and with five variants now available occupies a market leading footprint for Ka-band transceivers (delivering from 5 to 25 Watts of linear power).

Alongside independent market-driven product development, the Group collaborates closely with customers to ascertain their requirements and identify where solutions can be developed that address their unique requirements. In FY2022, the Group announced a strategic partnership with Methera Global Communications Limited ("**Methera**"). The partnership's goal is to develop an affordable broadband platform (gateways and user-terminals) that enables service providers to viably deliver broadband services to under-served global communities via satellite.

The Group also signed several key contracts in the year with leading players in the satellite communications industry, including an agreement with Eutelsat

Communications ("**Eutelsat**"), one of the world's largest satellite communications companies. The multi-year contract is for the supply of its XRE ODU platform ("**XRE**"). XRE is the latest addition to Global Skyware's XR Transceiver product suite and will provide Eutelsat with operational flexibility and optimised performance for their KONNECT VHTS broadband service.

In December 2023, it was announced that the Group had been awarded a US Navy contract to supply its new military grade SatNav/SatCom Repeater Platform, which is designed and optimised to provide secure GPS and satellite communications coverage for operation-critical sub-deck applications.

The Company concluded the process of delisting the shares from AIM in November 2023. Shareholders supported the move, with the retention of a sole listing on the Singapore Stock Exchange ("**SGX-ST**") resulting in a simplified Group structure, reduction of regulatory associated costs and less demands on internal and external financial, administrative and legal teams. The Group continues to benefit from the advantages of being a public company through its SGX-ST listing, affording increased visibility, liquidity to trade shares and potential access to capital.



# JOINT STATEMENT FROM CHAIRMAN & CHIEF EXECUTIVE OFFICER

## STRATEGIC DIRECTION AND OUTLOOK

### A Focus on SatCom

The demand for satellite communications ground equipment, i.e. user terminals, and gateways (a.k.a. ground stations) continues to grow, driven by demand for data and connectivity globally. According to a recent report from Statista<sup>1</sup>, there will be 17.08 billion connected devices in 2024, compared with 15.14 billion in 2023. Global Invacom Group, via its specialist SatCom brand, Global Skyware is well-placed to address this demand.

The Group is committed to strengthening its SatCom product and solutions portfolio and value proposition through its investment in research and development, product management, sales, & marketing.

### Challenges

The Board remains cognisant of the ongoing challenges and uncertainty in the macroeconomic environment. This, coupled with the ongoing strategic review, means we expect the current financial year to be challenging for the Group. As such, the Group and its subsidiary management teams will retain focus on continuing to implement its operational restructuring, alongside targeted and strategic product development.

## BOARD COMPOSITION

Gordon Blaikie was appointed the Group's Interim Chief Executive Officer in December 2022, having been working with Global Invacom for 11 years, latterly as Chief Operating Officer and Executive Director, during which time he oversaw manufacturing and sales functions within the Group. We are cognisant of the need to make further progress to identify a permanent replacement and will update shareholders in due course.

In November 2023, Mr Cosimo Borrelli confirmed his resignation as an Independent Director of the Company to pursue other business interests.

Mr John Lim, Lead Independent Director, Chairman of the Audit and Risk Committee and Member of the Nominating and Remuneration committees will be stepping down as a result of Rule 201(5)(d)(iv) of the SGX Mainboard Rules (the "9 Year Rule").

We would like to extend our sincere thanks for Mr Borrelli and Mr Lim's significant contribution to the Company during their tenure and to wish them well in all their future endeavours.

## SUSTAINABILITY

Global Invacom continues to maintain its focus on promoting sustainable practices and operations and has produced its seventh Sustainability Report, covering the period from 1 January 2023 to 31 December 2023. The report details the Group's environmental, social and corporate governance practices. 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 speaking on behalf of the Board, we would both like to extend our gratitude and appreciation to our dedicated employees, business partners, customers and shareholders for their commitment to Global Invacom Group during these challenging times. Despite the widely reported macro events hampering our progress, the team has worked tirelessly to deliver on the Group's strategic priorities and focus on the core competencies of the business. As we enter a new year, we look forward to launching more innovative technologically advanced products and solutions and expanding the Group's portfolio, ultimately positioning Global Invacom favourably for future growth.

### WAYNE ROBERT PORRITT

Independent Non-Executive Chairman

### GORDON BLAIKIE

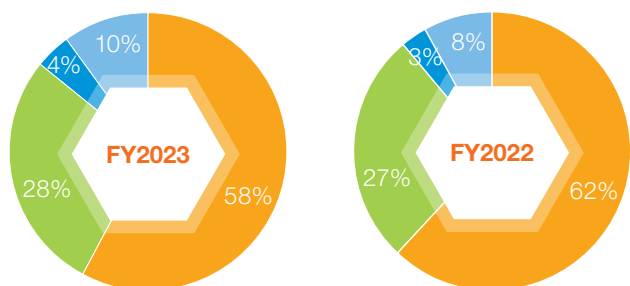
Interim Chief Executive Officer



<sup>1</sup> <https://www.techtarget.com/searchcio/tip/Top-edge-computing-trends-to-watch-in-2020>

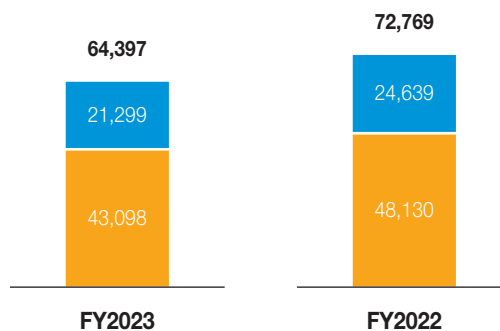
# FINANCIAL AND OPERATIONS HIGHLIGHTS

## REVENUE BY GEOGRAPHICAL SEGMENTS



■ America ■ Europe ■ Asia ■ Rest of the World

## REVENUE BY BUSINESS SEGMENTS



■ Non-VSAT (US\$'000) ■ VSAT (US\$'000)

## KEY FINANCIAL HIGHLIGHTS

	FY2023	FY2022	Change (%)
Revenue (US\$'000)	<b>64,397</b>	72,769	(11.5)
Gross Profit (US\$'000)	<b>15,858</b>	14,420	10.0
Loss After Tax (US\$'000)	<b>(967)</b>	(15,532)	(93.8)
Loss per Share on a Fully Diluted Basis (US cents)	<b>(0.35)</b>	(5.72)	(93.9)
Net Asset Value per Share (US cents)	<b>12.15</b>	12.37	(1.8)
Tax Paid (US\$'000)	<b>10</b>	126	(92.1)
EBITDA/(LBITDA)	<b>1,642</b>	(10,464)	(115.7)
Dividend Paid	<b>Nil</b>	Nil	Nil

## RATIOS

Current Ratio	<b>2.14</b>	2.16	(0.9)
Return on Equity	<b>(0.03)</b>	(0.46)	(93.5)
Net Gearing	<b>0.32</b>	0.38	(15.8)
Cash Ratio	<b>0.52</b>	0.46	13.0



# CORPORATE MILESTONES

**1985**

Formed Global Communications (UK) Ltd

**1988**

Designed and manufactured first Direct-Broadcast Satellite (“DBS”) switch

**1990**

Designed and manufactured first Mini Magic Switch

**1992**

Designed and manufactured first Low Noise Block (“LNB”) stacker

**1993**

Designed and manufactured first satellite TV frequency extender

**1997**

Designed and manufactured first DiSeqC switches

**1998**

Invented the tvLINK for BSkyB

**2000**

Formed Invacom Limited

**2001**

Launched world’s first integrated Very Small Aperture Terminal (“VSAT”) LNB

**2004**

Launched world’s first circular/linear polar LNB

**2006**

Awarded 1<sup>st</sup> prize in the ASTRA Innovation Contest 2006

**2007**

Launched new Stacker/Destacker using one cable technology

**2008**

Global Communications and Invacom merged to form Global Invacom Limited

**2009**

- Designed and manufactured first cost effective optical LNB
- Management buyout of Global Invacom Limited resulting in formation of Global Invacom Holdings Limited

**2010**

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

**2011**

Purchased ProVision assets

**2012**

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

**2013**

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

**2014**

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

**2015**

Purchased Satellite Acquisition Corporation

**2016**

- Rebranded trading name of “Skyware Global” to “Global Skyware”
- Consolidated operations into one facility in China
- Designed and manufactured Eastern Arc Twin Generation 2 Hybrid

**2017**

- Designed and manufactured new Digital Channel Stacking (“DCSS”) Western Arc Triple LNB
- Conception and live test of new video streaming technology

**2018**

- Launched 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

**2021**

- Shipped first 10W and 20W XRJ Mid Power Transceivers to our launch customer
- Funded by the European Space Agency (“ESA”) as part of Non-Geostationary Satellite Orbit (“NGSO”) Methera consortium to develop a Medium Earth Orbit (“MEO”) broadband user terminal

**2022**

- Showcased Obliquiti™, a cost effective NGSO and hybrid NGSO/Geostationary Orbit (“GEO”) platform for broadband applications
- Launched the Skyware 3500 Platform, an end-to-end Internet of Things (“IoT”)/Supervisory Control and Data Acquisition (“SCADA”) platform for critical control and communications networks (e.g. Smart Grid)
- Showcased Satsenz™, a multi-constellation (LEO, MEO, GEO) satellite tracking and hand-off orchestration application

**2023**

- Delisted on AIM, a market operated by the London Stock Exchange

## Software Platform Innovation

- Began development of Skyware OS “Operating System”, a universal and open operating system for end-to-end satcom network performance optimisation with single or multi-orbit platforms
- Began design and development of core Software Defined Radio (“SDR”) technologies

## Hardware Platform Innovation

- Added three new power variants to the market leading Ka Band XRJ Transceiver greatly extending the range of VSAT user terminal and gateway use cases that the platform can serve
- Launched the XRE Transceiver and XRE Broadband User Terminal Platform with zero-touch Electronic Polarisation Switching (“EPS”) in collaboration with Eutelsat
- Introduced the Titan carbon fibre Multi-Use Antenna Platform concept for GEO or NGSO fixed and nomadic (Fly-Away or Drive-Away) user terminal and gateways
- Launched a military grade SatNav/SatCom Repeater platform. Developed in collaboration with the US Navy the platform is optimised for delivering secure and operational-critical GPS positioning and satellite communications to sub-deck facilities and assets

# BOARD OF DIRECTORS

## WAYNE ROBERT PORRITT

*Independent Non-Executive Chairman*

Wayne Porritt was appointed as an Independent Director on 9 October 2020 and Independent Non-Executive Chairman of the Board of Directors on 9 December 2022. He is Chairman of both the Remuneration and Nominating Committees and a member of the Audit and Risk Committee.

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 Asia Society Australia. He is also a graduate member of the Australian Institute of Company Directors and an ordinary member of the Singapore Institute of Directors.

## GORDON BLAIKIE

*Executive Director & Interim Chief Executive Officer*

Gordon Blaikie was appointed an Executive Director on 1 July 2021 and Interim Chief Executive Officer on 9 December 2022.

Since joining Global Invacom in 2012, Mr Blaikie has been responsible for overseeing the manufacturing entities and sales functions of the Group and regularly working closely with the Board and senior management team to improve the Group's operating performance. He has worked extensively across Asia, Europe and the United States and during his career has garnered significant experience in managing multi-site sales and manufacturing functions, executing the delivery of high-quality products to an exacting customer base.

Mr Blaikie brings over 39 years' 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 has been extensively involved 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 ZICO Holdings Inc., which is 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.



# BOARD OF DIRECTORS



## **KENNY SIM MONG KEANG**

*Non-Independent Non-Executive Director*

Kenny Sim Mong Keang was appointed as a Non-Independent Non-Executive Director on 23 September 2015. He is a member of the Audit and Risk, Nominating and Remuneration Committees.

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 USP Group Limited and ZACD Group Ltd, which are listed on the Singapore Exchange and Hong Kong Exchange respectively. He also serves on the board of property investment firms Maximus Fortune Pte Ltd. 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 Chairman of Bukit Timah Citizens' Consultative Committees.



# KEY MANAGEMENT

## 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 communicates with stakeholders on technological advances and changes, and provides 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.

## HAMID MOHEB MCKEE

*Chief Technical Officer, Global Skyware*

Hamid Moheb is responsible for Global Skyware’s Engineering and Product Development. He works closely with customers to transition and qualify new antenna designs for production. Dr Moheb joined Global Invacom Limited 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 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. Previously, he was Head of the Applied Electromagnetics Group at InfoMagnetics Technologies Corporation in Canada and worked closely with the Canadian Research Centre, as well as the Canadian Space Agency, to develop technology for space-borne antennas, Active Planar Array Antennas (“**APAA**”), 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.

## MICHAEL JACKSON

*Vice President of Sales, Americas*

Michael Jackson is responsible for business development and supporting new and existing sales channels for all Global Invacom products in North and South America. Mr Jackson has long-standing relationships with the major network integrators and distributors in the region. Prior to this, he was the General Manager of Global Skyware, responsible for the day-to-day operations of the Group’s satellite antenna design, manufacture, and distribution business. Mr Jackson joined Global Skyware in August 2013, and has held various senior roles in the sales team, including Group Head of Sales for the Americas.

Mr Jackson has more than 34 years of experience in the satellite communications industry. Before joining Global Skyware, he spent 25 years at Prodelin Corporation/General Dynamics, working in a number of roles including sales, logistics, operations, programme, and product management.

## ROBERT STEPHEN MALLINSON

*Finance Director*

Robert Mallinson is responsible for overseeing the Group’s financial and accounting functions.

Mr Mallinson has over 29 years of experience having held senior accounting roles across multiple sectors, including professional services, hospitality, telecommunications and media, in both permanent and interim capacities. Prior to joining Global Invacom, he worked with Access Partnership Ltd. Mr Mallinson has extensive experience in financial roles with quoted companies and those with private equity ownership having worked in senior roles at Tarsus Group plc, BT Group plc and Reuters plc.

Mr Mallinson holds a Bachelor’s Degree in Business Studies and Sports Studies from the University of Surrey, and has been a qualified member of the Chartered Institute of Management Accountants (“**CIMA**”) since 1999.

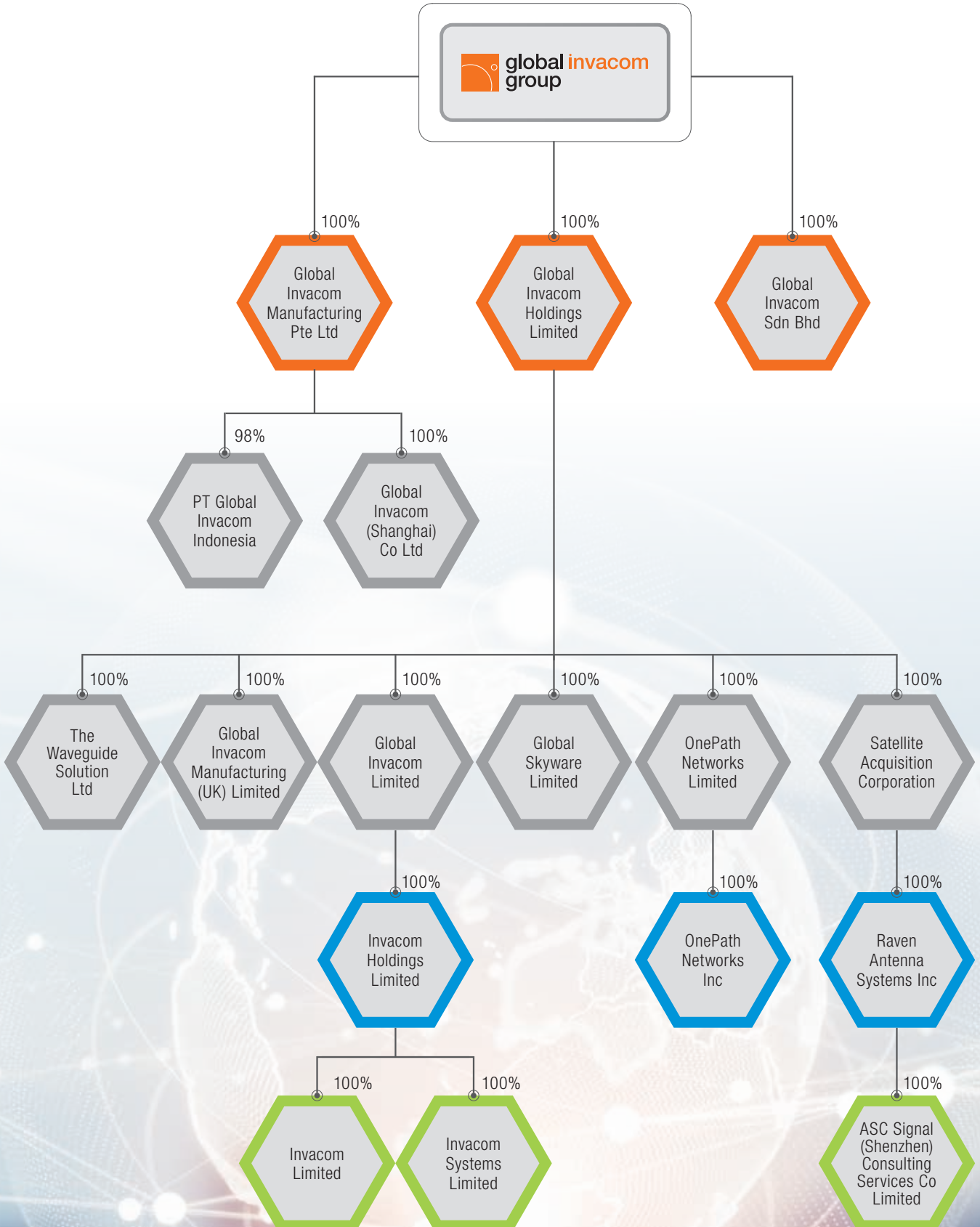
## WENDY ISABEL WONG PEI FERN

*Group Financial Controller*

Wendy Isabel Wong is jointly responsible for overseeing the Group’s financial, accounting, tax, treasury, and compliance matters, and has 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 28 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 sustainability report (“**SR**”) for the financial year ended 31 December 2023.

The Company has also adopted the Task Force on Climate-related Financial Disclosures (“**TCFD**”) Report, which can be found from pages 33 to 37 of this Annual Report 2023 (“**AR2023**”).

At the United Nations Climate Change Conference in Dubai (“**COP28**”), a series of official announcements were made to retire the task force of TCFD. There was also a consultation paper to mandate that the International Sustainability Standards Board (“**ISSB**”) standards on climate reporting disclosures be adopted beginning in fiscal year 2025. At the time of publication of this SR, the Group has decided to continue with the current TCFD reporting pending further regulatory changes. The TCFD Report will provide climate reporting based on the TCFD recommendations on a ‘comply or explain’ basis.

In addition, the Company has adopted the prescribed list of core ESG metrics (“**Core ESG Metrics**”) issued by the Singapore Stock Exchange. These Core ESG Metrics have been disclosed by the Company since the publication of its first sustainability report in 2017. Shareholders can refer to this disclosure in the table accompanying this SR.

The Group remains committed to creating 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.

As the Group continues with its reorganisation and restructuring efforts to maximise stakeholders value, the Board has agreed that the current key material ESG factors are adequate for the purpose of disclosure.

## ABOUT THIS SUSTAINABILITY REPORT, REPORTING LOCATIONS, BOUNDARIES AND PERIOD

The Group’s SR covers the period from 1 January 2023 to 31 December 2023 (“**2023**”). This SR was prepared with reference to the recommendation and disclosures contained within the Global Reporting

Initiative Standards (“**GRI Standards**”). This SR 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 going forwards will be changed as needed.

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).

This is now the second year of the Group fully reporting its greenhouse gas (GHG) emissions in all three Scopes.

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.

Although no external assurance was sought for the preparation of this SR, the Company commissioned Messrs CLA Global TS Risk Advisory Pte Ltd, our internal auditor, to give internal review on our 2022 SR. One minor observation was made, and this has been acted on for the 2023 SR.

## 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 38 to 60 as set out in this AR2023.

## 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 AR2023. Stakeholders and shareholders can download the AR FY2023 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](mailto: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 AR2023.

## CODE OF BUSINESS CONDUCT

The Group does not currently have any comprehensive or generic Code of Conduct. We are aiming to consolidate our common practices and incorporate them into a Group policy handbook in FY2024, with a view to clearly defining written rules for our employees when dealing with third parties.

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 Chairman of the ARC. 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 2023. Annual training is conducted across the Group.

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 2023.

## 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 2023, the material topics were reviewed so that they remained relevant and aligned. There was no recommended change of material topics after 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 2023, 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 forward. The following baseline continues to be in place to commit to certain targets using KPIs.

# SUSTAINABILITY REPORT

PERFORMANCE INDICATORS	COMMITMENT (TARGET)	KPIs	TARGET ACHIEVED IN 2023
<b>Economic Performance</b>	Grow profits and improve cash flow	<ul style="list-style-type: none"> <li>■ Revenue</li> <li>■ Operating Costs</li> <li>■ EBITDA</li> </ul>	No
<b>Training &amp; Development</b>	Improve employee competencies	<ul style="list-style-type: none"> <li>■ Programs implemented</li> <li>■ Training hours per staff</li> </ul>	Partial
<b>Occupational Health &amp; Safety</b>	Provide a safe and healthy work environment. Reduce the injury rate and lost day rate year on year	<ul style="list-style-type: none"> <li>■ Work-related fatalities</li> <li>■ Work-related injuries</li> <li>■ Work-related ill health</li> </ul>	Yes
<b>Socioeconomic Compliance</b>	No incidents of non-compliance, and uphold high standards of ethical business conduct and practices	<ul style="list-style-type: none"> <li>■ Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations</li> </ul>	Yes
<b>GHG Emissions (formerly Energy Efficiency)</b>	Measure and reduce GHG emissions, eventually achieving net zero	<ul style="list-style-type: none"> <li>■ GHG emissions</li> <li>■ GHG emissions intensity, expressed as kg per dollar of revenue</li> </ul>	In progress
<b>Recycling</b>	Ensure that all by-products (hazardous and non-hazardous) waste are disposed of responsibly or recycled	<ul style="list-style-type: none"> <li>■ To achieve at least 95% of recycle rate for non-hazardous waste and 100% by 2025</li> </ul>	Yes
<b>Water Conservation</b>	Maintain and ideally reduce water consumption and encourage use of treated/recycled water	<ul style="list-style-type: none"> <li>■ Water consumption to reduce 20% by 2030</li> </ul>	Yes

Separately, the Board has not yet set up any remuneration KPIs linked to the achieving of SR related targets set by the Group. During 2024, the Group may consider linking a component of our key management personnel's remuneration package to the achievement of its SR targets, once the current reorganisation and restructuring has been completed.

## STAKEHOLDER ENGAGEMENT

For 2023, Management and the Company Secretary performed an internal assessment of key stakeholder groups, their concerns (if any) and expectations. The list of stakeholders identified by Management is shown in the table below. The Stakeholder Survey was last conducted in 2021 with the expectation and feedback mapped out by Management.

Given the current reorganisation and restructuring taking place within the Group, Management agreed that the feedback collated in 2021 remained relevant. The Group will consider conducting another survey exercise in 2025.

STAKEHOLDERS	EXPECTATION	ENGAGEMENT	OUR RESPONSE
<b>GOVERNMENT &amp; REGULATORS</b>	<ul style="list-style-type: none"> <li>■ Regulatory compliance and feedback</li> </ul>	<ul style="list-style-type: none"> <li>■ SGX/AIM half-yearly announcements</li> <li>■ Annual Reports</li> <li>■ Ongoing dialogues</li> </ul>	<ul style="list-style-type: none"> <li>■ To comply with prevailing rules and legislation</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>■ Product quality and safety</li> <li>■ User experience</li> <li>■ Recycling of waste and consumables</li> <li>■ Health and safety in workplace</li> </ul>	<ul style="list-style-type: none"> <li>■ Feedback form</li> <li>■ Meeting sessions and client management</li> <li>■ Website/phone contact/email</li> </ul>	<ul style="list-style-type: none"> <li>■ Via regular communication whether formal or informal meetings. We also ensure that products delivered are quality to our end users</li> </ul>

# SUSTAINABILITY REPORT

STAKEHOLDERS	EXPECTATION	ENGAGEMENT	OUR RESPONSE
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Remuneration and benefits</li> <li>Career development and progression</li> <li>Training opportunities</li> <li>Job security</li> <li>Health and safety in the workplace</li> <li>Renewable energy plan of the Group</li> <li>Carbon reduction plan</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisal system</li> <li>Training and education opportunities</li> <li>Face to face meetings</li> <li>News via emails and circulars</li> <li>To discuss and plan for further improvements on our energy savings</li> </ul>	<ul style="list-style-type: none"> <li>Be open and transparent about our human resource policies</li> <li>Feedback obtained through formal appraisal and informal sessions</li> <li>To disclose more energy and water savings initiatives in our future SR</li> </ul>
<b>INVESTORS &amp; SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>Group's growth</li> <li>Risk management and internal controls</li> <li>Economic performances</li> <li>Shareholders' return</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Quarterly results and presentations</li> <li>Annual reports</li> <li>GIGL's corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to guidelines as recommended by regulators</li> <li>Ensure transparent and timely dissemination of all material information to shareholders and stakeholders</li> </ul>
<b>CONTRACTORS &amp; SUPPLIERS</b>	<ul style="list-style-type: none"> <li>Environmental compliance</li> <li>Ongoing certification and specification</li> </ul>	<ul style="list-style-type: none"> <li>Face to face meeting</li> <li>Email/phone contact</li> <li>Feedback on product supplied and their quality</li> </ul>	<ul style="list-style-type: none"> <li>To devise ethical procurement policies and internal processes to ensure equitable treatment of all our suppliers when selecting vendors or awarding contracts</li> </ul>

## 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	Socioeconomic Compliance	2-27 Compliance
5	GHG Emissions (formerly Energy Efficiency)	305
6	Recycling	306
7	Water and Effluent	303



# SUSTAINABILITY REPORT

## ENVIRONMENTAL HIGHLIGHTS

ENVIRONMENTAL	FY2021	FY2022	FY2023
Energy intensity (kWh per US\$)	0.24	0.24	0.30
Energy used (kWh)	19,289,309	17,171,281	19,425,887
Combined Carbon Emissions, Scopes 1 & 2 (kgCO <sub>2</sub> e)	4,943,520*	3,825,669	4,181,127
Combined Carbon Emissions, Scopes 1, 2 & 3 (kgCO <sub>2</sub> e)	NA	283,863,947	215,251,449
Carbon Emissions Intensity, Scopes 1 & 2 (kgCO <sub>2</sub> e/USD)	0.06	0.05	0.06
Carbon Emissions Intensity, Scopes 1, 2 & 3 (kgCO <sub>2</sub> e/USD)	NA	3.90	3.34
Water consumption (m <sup>3</sup> )	42,699	27,996	14,758
Water consumption intensity (m <sup>3</sup> per US\$1,000)	0.50	0.38	0.22
Rainwater harvested (m <sup>3</sup> )	2,800	5,000	5,000
Water recycled (m <sup>3</sup> )	–	–	–
Non-hazardous waste (tonnes)	1,468	1,053	982
Non-hazardous waste recycled (tonnes)	1,373	1,031	964
Hazardous waste (tonnes)	17.4	11.7	12.2

\*Note: The combined carbon emissions reported in previous years included Scope 3 category 6, but not the other Scope 3 emissions. To provide for a more meaningful comparison, the combined Scope 1 and 2 emissions (excluding Scope 3 category 6) have been shown for 2022.

NA: not applicable

## SOCIAL HIGHLIGHTS

EMPLOYEES	FY2021	FY2022	FY2023
Number of employees	347	304	267
Permanent employees	315	260	266
Temporary employees	32	44	1
Permanent male employees	214	170	178
Permanent female employees	101	90	88
Average training hours per permanent employee (male)	4.9	1.4	1.5
Average training hours per permanent employee (female)	7.9	1.3	2.7
Average permanent new hires (Group basis)	23%	21%	26%
Average permanent employee turnover rate (Group basis)	28%	25%	22%
Fatal accidents	Nil	Nil	Nil

The number of employees in 2023 decreased by a further 12.2% compared to 2022 due to the restructuring and reorganisation exercise. The average number of training hours increased in 2023, from 1.4 to 1.5 hours for male employees, and from 1.3 to 2.7 for female employees.

# 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.

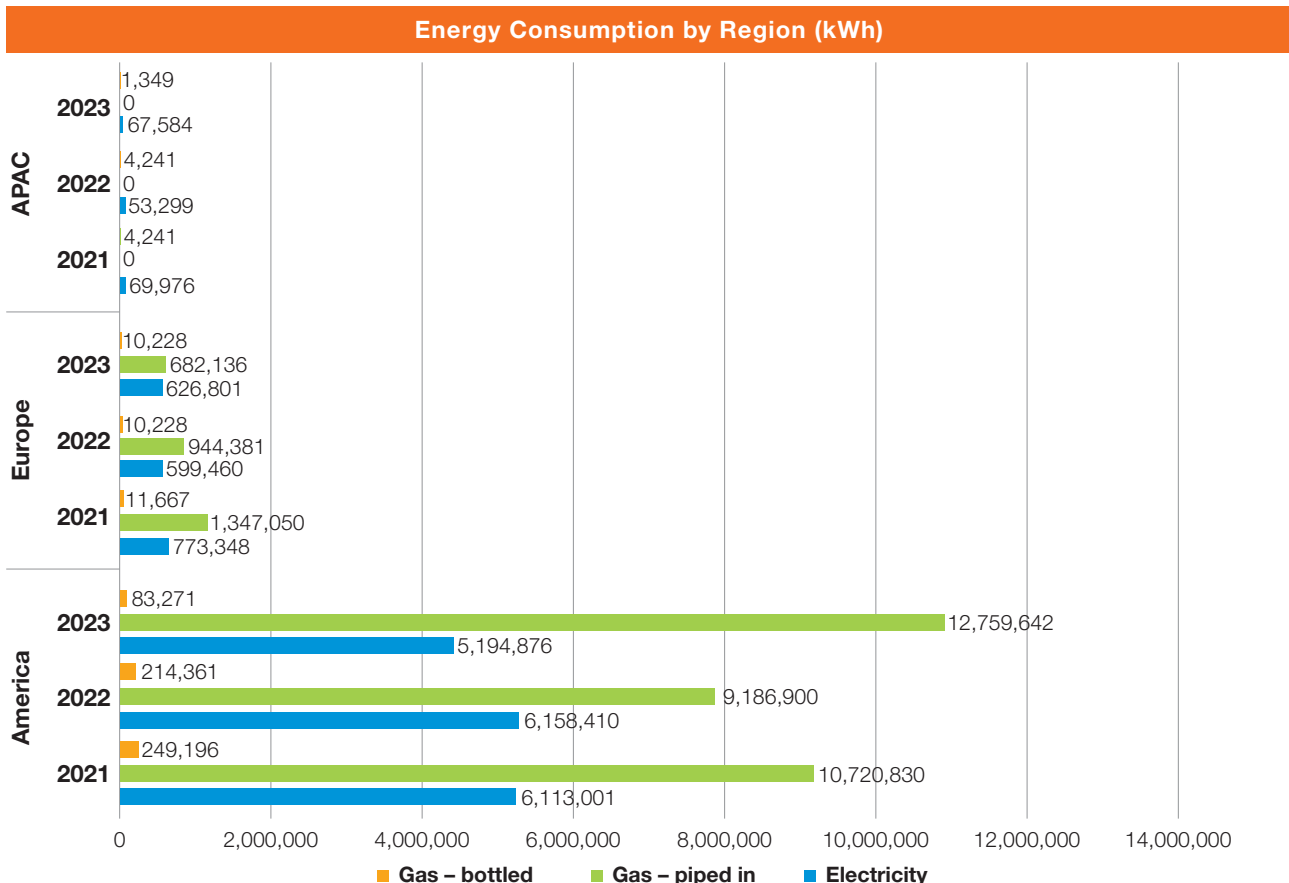
In 2023, the Group’s energy consumption by region is shown in the table below:

Region	America	Europe	APAC	Group
<b>Energy Type (kWh)</b>				
Electricity	5,194,876	626,801	67,584	5,889,261
Gas – piped in	12,759,642	682,136	0	13,441,778
Gas – bottled	83,271	10,228	1,349	94,848
<b>Total</b>	<b>18,037,789</b>	<b>1,319,165</b>	<b>68,933</b>	<b>19,425,887</b>

In 2023, the Group consumed a total 19,425,887 kWh, an increase of 13.1% from 17,171,280 kWh in 2022. The increase in energy consumption was solely attributable to a significant increase in natural gas consumption in North America, caused by a change in product mix.

The Group’s energy intensity increased to 0.30 per US\$. This change in the intensity was solely due to the increase in natural gas consumption in North America. The Group will continue to monitor its energy intensity. However, going forwards, energy intensity in itself will not be viewed as a critical metric, as opposed to GHG emissions, which will be. To achieve net zero, any amount of energy can be consumed, so long as the consumption does not result in GHG emissions.

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.



# SUSTAINABILITY REPORT

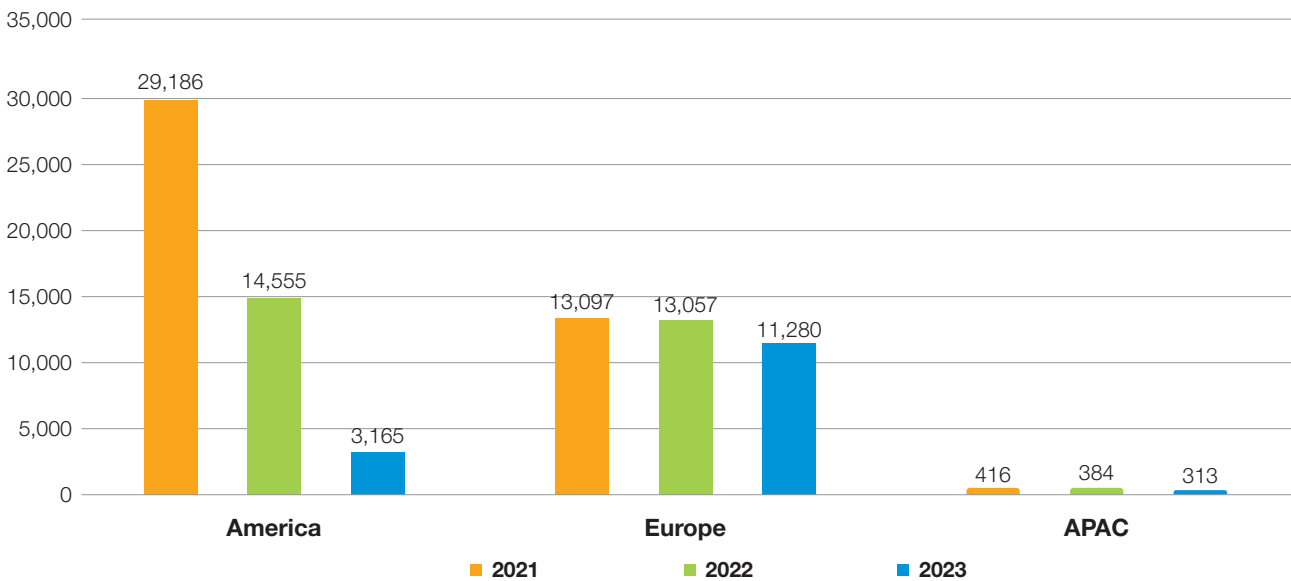
## WATER AND EFFLUENT

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 2023 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 2023, our total water consumption was 14,758 m<sup>3</sup>, compared with 27,996 m<sup>3</sup> in 2022. This represents a significant decrease of 47.29% as a result of both decreased consumptions arising from lower turnover and resolution of the water leak issue at GSW, which had led to the 2022 consumption being unduly high. Our water consumption intensity decreased from 0.38 m<sup>3</sup> per US\$1,000 in 2022 to 0.23 m<sup>3</sup> in 2023 primarily due to the resolution of the water leak issue at GSW.

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 (m<sup>3</sup>) by Regions





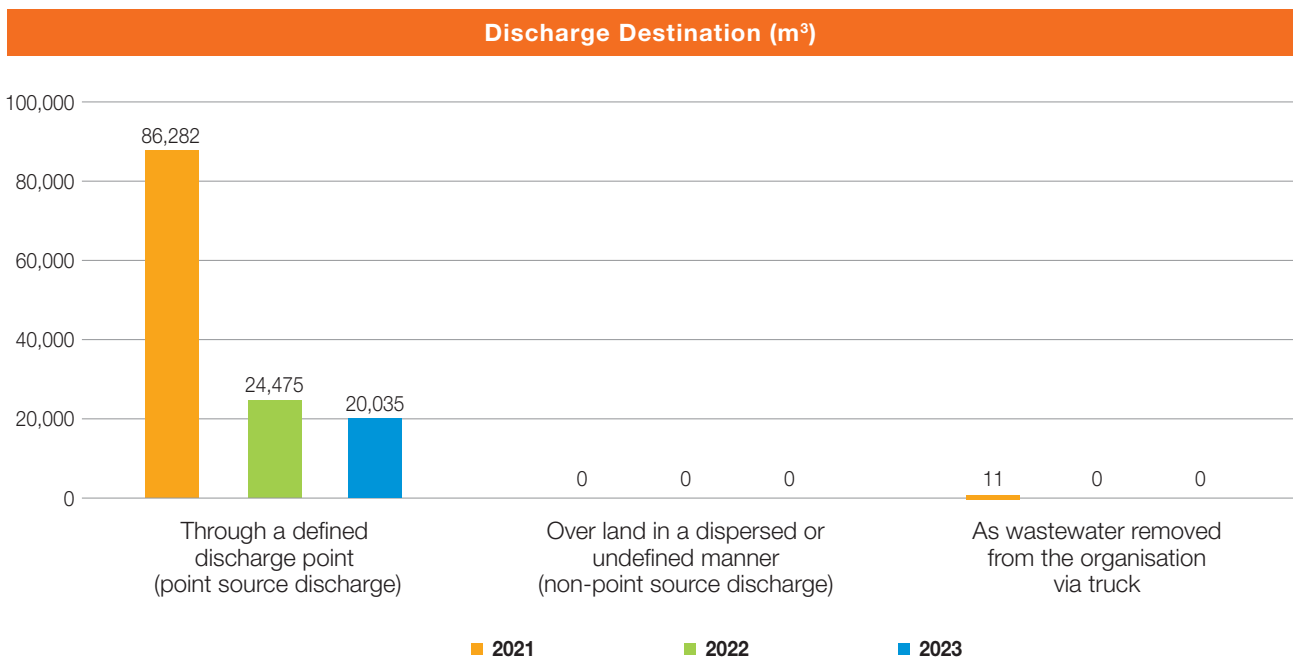
# SUSTAINABILITY REPORT

## 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 2023, we did not recycle any of the water consumed.

Discharge Destination	Vol (m <sup>3</sup> ) 2021	Vol (m <sup>3</sup> ) 2022	Vol (m <sup>3</sup> ) 2023
Through a defined discharge point (point source discharge)	86,282	24,475	20,035
Over land in a dispersed or undefined manner (non-point source discharge)	–	–	–
As wastewater removed from the organisation via truck	11	0	0
<b>Total Water Discharged</b>	<b>86,293</b>	<b>24,475</b>	<b>20,035</b>

As in previous years, there were no spills reported in 2023.



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

# SUSTAINABILITY REPORT

## WASTE AND EFFLUENTS

The waste generated at our manufacturing plants includes scrap metal 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 2023, approximately 982,363 kg of non-hazardous waste were generated by the Group, of which approximately 964,329 kg (98.2%) were recycled, compared to 97.9% in 2022 and 94.0% in 2021. Hazardous waste is disposed of by specialist waste contractors.

The Group continues to target to recycle at least 95% of non-hazardous waste generated.

Disposal Method	Region					
	America		Europe		APAC	
	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous
	Weight (kg)					
Reuse	0	0	0	0	0	0
Recycling	0	354,033	2	610,296	0	0
Recovery	0	0	10,820	7,010	0	0
Incineration	1,400	3,350	0	0	0	0
Landfill	0	832	0	2,610	0	1,428
Other	0	2,805	0	0	0	0
<b>Totals</b>	<b>1,400</b>	<b>361,020</b>	<b>10,822</b>	<b>619,916</b>	<b>0</b>	<b>1,428</b>

## CARBON EMISSIONS

The Group's Scope 1 emissions arise principally from the burning of gas, both piped-in and bottled. The amount of gas consumed is derived from utility bills and purchasing records, and then the consequential GHG emissions calculated using publicly available GHG conversion factors. Unless there is a breakthrough in the generation of carbon-free gas, such as green hydrogen, then the Group will need to end its burning of gas to achieve net zero. This presents a challenge, but the Group is currently of the opinion that it could transfer most of its gas consumption to electricity, albeit it at the cost of new capital equipment and potentially increased utility bills. However, the transfer from gas to electricity will only make climate sense if the electricity supply becomes carbon-neutral in the places in which the Group operates.

Our Scope 2 emissions are primarily due to the consumption of electricity. The amount of electricity consumed is derived from utility bills, and then the consequential GHG emissions calculated using publicly available GHG conversion factors. The Group expects to continue to consume electricity going forwards, and potentially in increasing amounts if the Group shifts away from the consumption of gas.

With its continued use of electricity, the Group is dependent on the availability of carbon-free electricity in order to achieve net zero. The Group does not currently consider it feasible to generate its own carbon-free electricity, and so will continue its dependence on electricity consumption from the electricity supply grids in the various places in which it operates. Therefore, the Group is primarily dependent on government policy in the various countries in which it operates for achieving net zero in respect of the Group's Scope 2 GHG emissions.

# SUSTAINABILITY REPORT

Scope 3 emissions, which arise from the activities within the Group’s supply chain for which the Group is indirectly responsible for, fall within fifteen separate categories. The Group has determined that the following ten categories apply to the Group:

Category	Description
1	Purchased goods and services
2	Capital goods
3	Fuel and energy-related activities not included in Scope 1 and Scope 2
4	Upstream transportation and distribution
5	Waste generated in operations
6	Business travel
7	Employee commuting
9	Downstream transportation and distribution
11	Use of sold products
12	End-of-life treatment of sold products

The table below shows the calculation methods used for each Scope 3 emissions category.

The Group recognises, that along with many other companies, it will be dependent on third parties to achieve net zero for most of its Scope 3 emissions, and that the Group has little or no influence, primarily on account of its size, in getting these third parties to deliver carbon-neutral goods and services. Challenges are faced with the supply of carbon-neutral steel, electronic components, shipping and aviation.

The Scope 3 emissions associated with the use of the products sold by the Group are currently significantly higher than all other GHG emissions attributable to the Group, accounting for 65% (2022: 61%) of the Group’s total GHG emissions. This is due to the Group supplying electronic products, which by their nature are required to be powered 24/7, and although each product consumes modest amounts of power, the quantities sold, and the fact that the calculation is based on consumption for a 10-year product life, lead to the large figure for GHG emissions. However, provided that the electricity supplies in the countries in which the products are used eventually become carbon-neutral, then these GHG emissions will then become zero.

The Scope 3 emissions associated with the purchase of goods and services are also notably high, accounting for 22% (2022: 31%) of the Group’s total GHG emissions. This was due primarily to the Group purchasing steel for the manufacture of its antennas and electronic components for the manufacture of its LNBs and data-over-satellite transceivers. The Group is likely to still require the use of these purchased goods going forwards and so, as indicated above, will be largely dependent on third parties to bring about a reduction in its Scope 3 category 1 GHG emissions.

The Board is committed to achieving net zero GHG emissions by 2050, and will aim to put in place a tentative plan on how it will achieve this target by the end of 2025. Shareholders can refer to our TCFD Report from pages 33 to 37.

Given the latest development on TCFD reporting at COP28, the Board will continue to monitor the relevant financial related disclosure to be put in place via ISSB reporting.



# SUSTAINABILITY REPORT

Category:		Example	Data Categories	Data	Quantities	Calculation Method
No.	Description					
1	Purchased Goods and Services	Steel, components	Raw materials, top TBD purchases	GI purchasing records	Weight	Average-data
			Raw materials, non-top TBD purchases	GI purchasing records	Spend	Spend-based
			Components	GI purchasing records	Spend	Spend-based
			Others	GI purchasing records	Spend	Spend-based
2	Capital Goods	Manufacturing machines	N/A	GI purchasing records, GI CAPEX records	Spend	Spend-based
3	Fuel and Energy-Related Activities Not Included in Scope 1 or Scope 2	Electricity grid losses	Upstream emissions of purchased fuels	GI utility bills	kWh	Average-data
			Upstream emissions of purchased electricity	GI utility bills	kWh	Average-data
			Transmission and distribution (T&D) losses	GI utility bills	kWh	Average-data
4	Upstream Transportation and Distribution	Transporting incoming materials and outgoing products	Various transport types	GI purchasing records, GI sales data, GI shipping data	Distance	Distance-based
5	Waste Generated in Operations	Treatment of scrap metal	Various waste types	GI waste disposal records	Weight	Waste-type-specific
6	Business Travel	Flights, taxis etc	Various travel types	GI business travel records	Distance	Distance-based
7	Employee Commuting	Private cars, public transport	Various travel types	GI employee commute records	Distance	Distance-based
9	Downstream Transportation and Distribution	Transportation of goods sold	Various product types	GI sales data	Distance	Distance-based
11	Use of Sold Products	Electricity used by a GI product	N/A	GI sales data, GI product consumption data	kWh	Direct use-phase emissions
12	End-of-Life Treatment of Sold Products	Landfill of GI product at end of life	Various waste types	GI sales data, GI shipping data	Weight	Waste-type-specific

# SUSTAINABILITY REPORT

A breakdown of combined emissions by Scope 1, 2 and 3, and by country for 2023 is as follows:

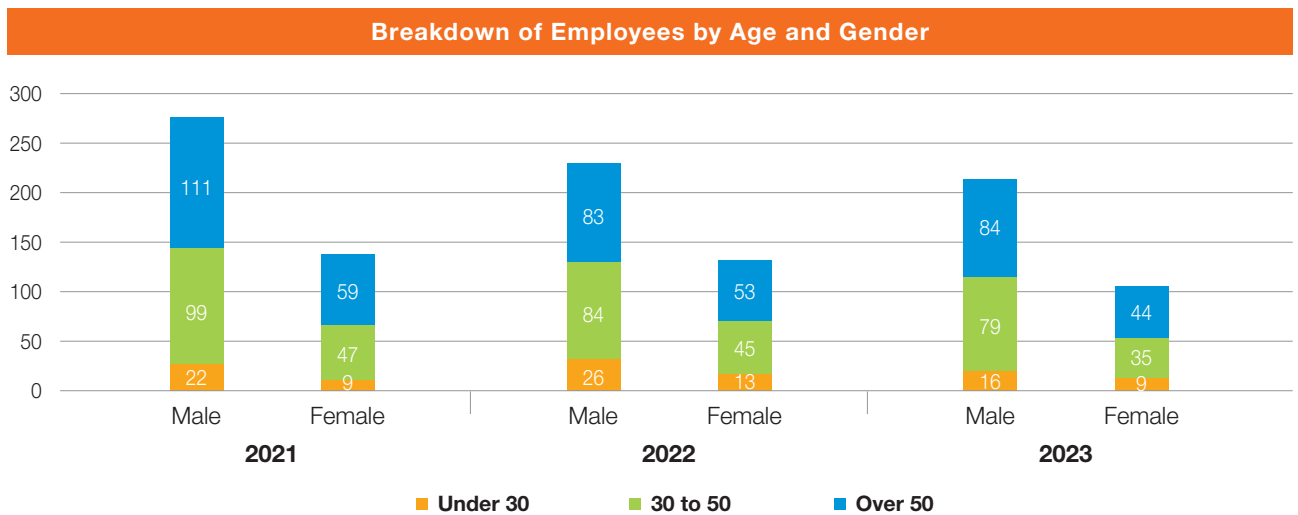
## 2023 Carbon Emissions

	Indonesia	Israel	Malaysia	Philippines	PRC	Singapore	UK	USA	Group
Scope 1	0	0	289	0	0	0	126,976	2,330,358	2,457,623
Scope 2	519	65,124	2,321	7,901	24,926	1,668	105,713	1,515,332	1,723,504
Scope 3	2,413,130	1,243,939	2,137,054	58,312	14,997	42,659	166,844,204	38,316,027	211,070,322
<b>Total</b>	<b>2,413,649</b>	<b>1,309,063</b>	<b>2,139,664</b>	<b>66,213</b>	<b>39,923</b>	<b>44,327</b>	<b>167,076,893</b>	<b>42,161,717</b>	<b>215,251,449</b>

Local conversion factors for calculating greenhouse gas emissions have been used wherever possible, as in the case of electricity, these vary significantly from country to country. Our carbon intensity for Scopes 1 and 2 combined increased marginally compared to 2022, as a result of the increased use of natural gas in North America. Our carbon intensity for all three scopes combined decreased from 3.90 in 2022 to 3.34 in 2023, largely as a result of the significant reduction in Scope 3 category 1 and category 11 emissions arising from the reduction in the quantities of products sold.

## DIVERSITY AND EQUALITY

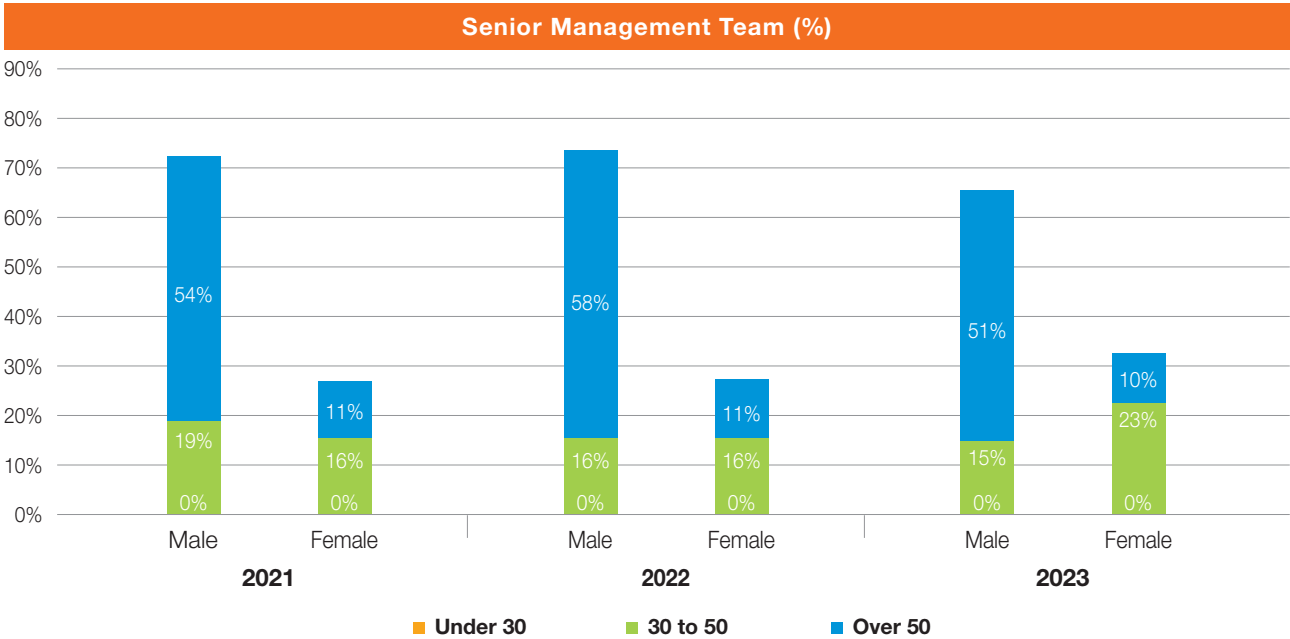
GIGL is an equal opportunity employer and does not tolerate discrimination. There were no incidents of discrimination reported in 2023. The Group ended the year with a total of 267 permanent employees (2022: 304), of whom 67% were male and 33% were female (2022: 63% male, 37% female).



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.

Our management teams throughout the Group are largely drawn from local people, except for the executive team who are all from the UK. In 2023, out of the 39 members of the management team, 33% are females and 67% are male. In our current Board representation, there are no female directors. Whilst mindful of the lack of females on the Board, the Group always looks to appoint the best people for the job and does not discriminate on any grounds.

# SUSTAINABILITY REPORT

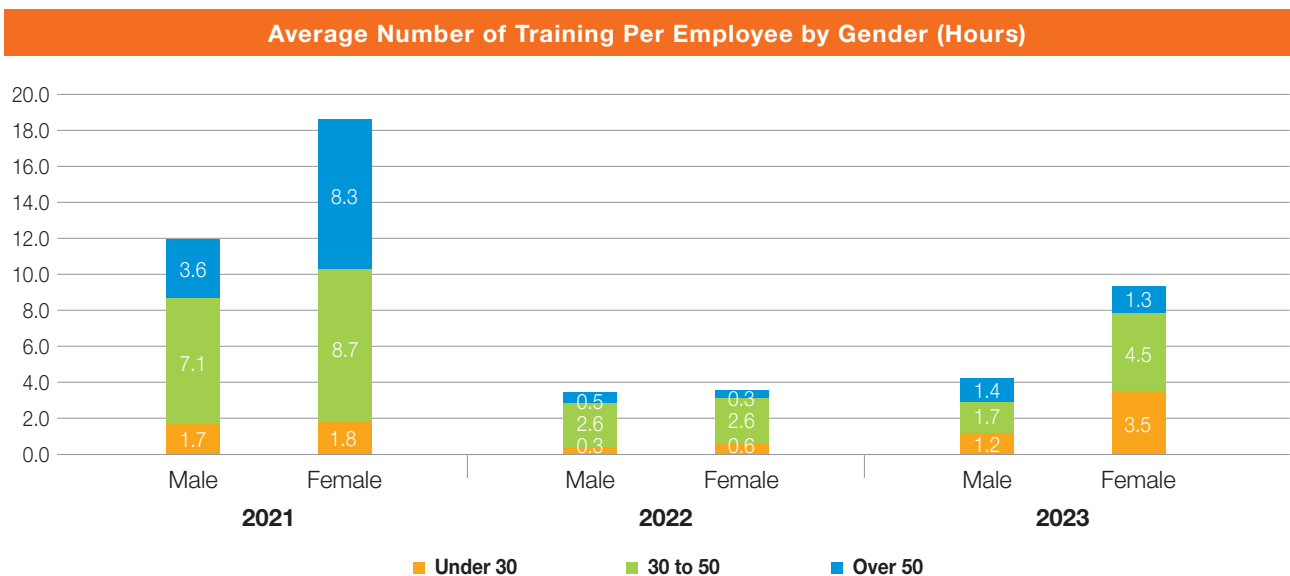


## TRAINING AND EDUCATION

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 using an appraisal system. In 2023, the Group provided a total of 508 training hours for its workforce (2022: 595 hours), with the average number of training hours per employee falling slightly from 2.0 in 2022 to 1.9 in 2023.

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



# SUSTAINABILITY REPORT

## EMPLOYEE ENGAGEMENT AND TURNOVER

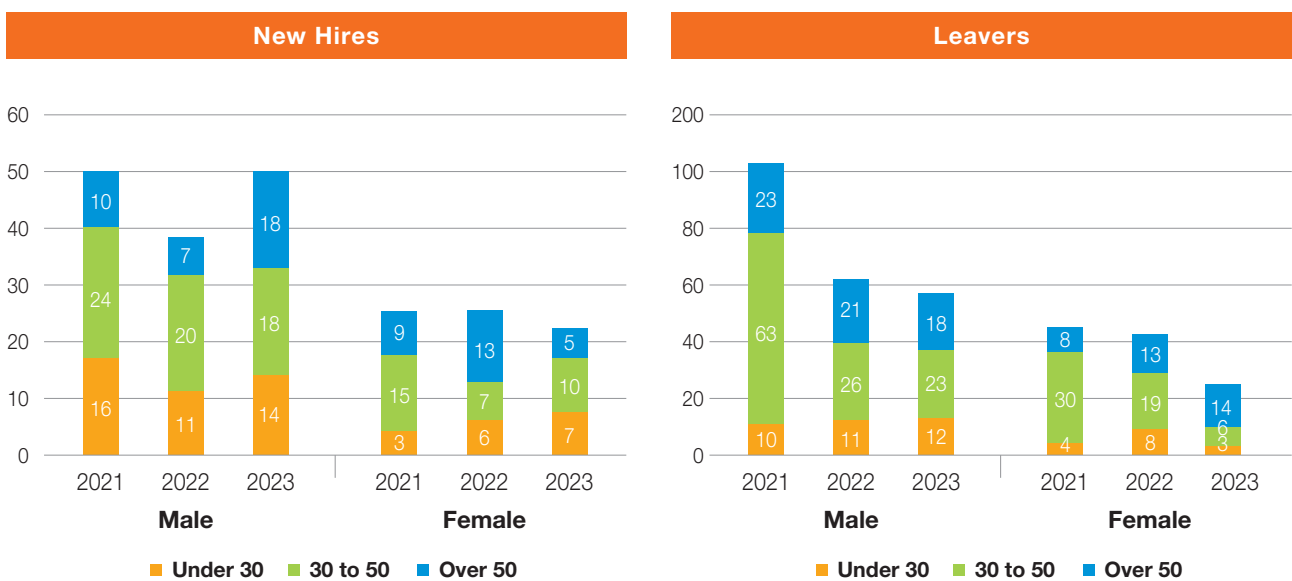
The Group offers a range of benefits to its employees, which varies by region and includes some or all of the following – parental leave, life insurance, healthcare and pension provision. All full-time employees of the Group are accorded parental leave. In some countries where the Group operates, we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

In 2023, 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 averaged at 100% for both male and female.

As previously mentioned, all employees receive a regular appraisal.

The overall staff turnover rate of the Group in 2023 was 22% compared with 25% in 2022, largely because of restructuring.

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).



## 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, 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 2023. There were 3 recordable injuries, a decrease from 6 in 2022. These injuries were mainly due to trips and falls and were minor in nature.



# SUSTAINABILITY REPORT

The Group will continue to strive to improve our OSH management system and drive down all work-related injuries to zero.

Key OSH Data	
Total available work hours	510,883
Total available workdays	65,499
Number of fatalities	–
Fatality rate	–
Number of high-consequence injuries	–
High-consequence injury rate	–
Number of recordable injuries (per 200,000 man-hours worked)	3
Recordable injury rate	1.17
Days lost due to injury	7
Lost day rate (LDR)	2.54
Days lost to absence	1,004
Absentee rate (AR)	2%
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 2023.

## SOCIOECONOMIC

The Group takes seriously its obligations to comply with the legislation and standards in the regions in which it operates. In 2023, there was no reportable incidents or 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.

## 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.

# SUSTAINABILITY REPORT

## 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 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 its 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	MAKE UK Manufacturer's Organisation
3	Singapore Business Federation
4	MTSFB (Malaysia Technical Std forum Bhd)
5	JOSCAR (Joint Supply Chain Accreditation Register)
6	BSI Assurance UK Ltd

# SUSTAINABILITY REPORT

## GRI STANDARDS CONTENT INDEX

<b>Statement of Use</b>	Global Invacom Group Limited has reported the information cited in this GRI content index for the period starting from 1 January 2023 to 31 December 2023 <i>with reference</i> to the GRI Standards
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

GRI Standard	Disclosure	Page(s) in AR2023
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	AR2023
	2-2 Entities included in the organisation's sustainability reporting	11
	2-3 Reporting period, frequency and contact point	This Sustainability Report is published on 9 April 2024, covering the reporting period of 1 January 2023 to 31 December 2023, aligned with the publication of Global Invacom's financial reporting on an annual basis. For feedback and suggestions, please email to us at SR@globalinvacom.com
	2-4 Restatements of information	None
	2-5 External assurance	No.
	2-6 Activities, value chain and other business relationships	1-5
	2-7 Employees	16, 23-25
	2-8 Workers who are not employees	16
	2-9 Governance structure and composition	38-41
	2-10 Nomination and selection of the highest governance body	44-46
	2-11 Chair of the highest governance body	40
	2-12 Role of the highest governance body in overseeing the management of impacts	38
	2-13 Delegation of responsibility for managing impacts	38
	2-14 Role of the highest governance body in sustainability reporting	12, 38
	2-15 Conflicts of interest	38
	2-16 Communication of critical concerns	13, 38
	2-17 Collective knowledge of the highest governance body	38-41
	2-18 Evaluation of the performance of the highest governance body	42-46
	2-19 Remuneration policies	46-49
	2-27 Compliance with laws and regulations	26
	2-28 Membership associations	27
	2-29 Approach to stakeholder engagement	14-15
	2-30 Collective bargaining agreements	Not applicable. No collective bargaining

# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page(s) in AR2023
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	14-15
	3-2 List of material topics	14-15
	3-3 Management of material topics	13-15
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	6
<b>GRI 202: Market Presence 2016</b>	202-2 Proportion of senior management hired from the local community	23-24
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	26-27
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	13
	205-2 Communication and training about anti-corruption policies and procedures	13
	205-3 Confirmed incidents of corruption and actions taken	13
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	20
	301-2 Recycled input materials used	20
	301-3 Reclaimed products and their packaging materials	20
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	17
	302-3 Energy intensity	16
	302-4 Reduction of energy consumption	17
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	18-19
	303-3 Water withdrawal	18-19
	303-4 Water discharge	19
	303-5 Water consumption	18
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	16, 20-23
	305-2 Energy indirect (Scope 2) GHG emissions	16, 20-23
	305-3 Other indirect (Scope 3) GHG emissions	16, 20-23
	305-4 GHG emissions intensity	16, 20-23
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	16, 20
	306-2 Management of significant waste-related impacts	20
<b>GRI 401: Employment 2016</b>	403-1 Occupational health and safety management system	25-26
	403-2 Hazard identification, risk assessment, and incident investigation	25-26
	403-3 Occupational health services	25-26
	403-4 Worker participation, consultation, and communication on occupational health and safety	25-26
	403-5 Worker training on occupational health and safety	25-26
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	25-26
	403-9 Work-related injuries	26
	403-10 Work-related ill health	26



# SUSTAINABILITY REPORT

GRI Standard		Disclosure	Page(s) in AR2023
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	16, 24
	404-2	Programs for upgrading employee skills and transition assistance programs	24
	404-3	Percentage of employees receiving regular performance and career development reviews	24
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	16, 23
<b>GRI 415: Public Policy 2016</b>	415-1	Political contributions	13
<b>GRI 416: Customer Health and Safety 2016</b>	416-1	Assessment of the health and safety impacts of product and service categories	27
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	27
<b>GRI 416: Customer Health and Safety 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	13

# SUSTAINABILITY REPORT

## ESG CORE METRIC TABLE DISCLOSURE

Topic	Metric	Framework Alignment	Page(s) in AR2023
<b>ENVIRONMENTAL</b>			
<b>Greenhouse Gas Emissions ("GHG")</b>	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	GRI 305-1, GRI 305-2, GRI 305-3, TCFD	16, 20-23
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	GRI 305-4	16, 20-23
<b>Energy Consumption</b>	Total energy consumption	GRI 302-1	16-17
	Energy consumption intensity	GRI 302-3, TCFD	16
<b>Water Consumption</b>	Total water consumption	GRI 303-5	16, 18-19
	Water consumption intensity	TCFD	16
<b>Waste Generation</b>	Total waste generated	GRI 306-3	16, 20
<b>SOCIAL</b>			
<b>Gender Diversity</b>	Current employees by gender	GRI 405-1	16, 23
	New hires and turnover by gender		16, 25
<b>Age-Based Diversity</b>	Current employees by age groups		23, 25
	New hires and turnover by age groups		25
<b>Employment</b>	Total turnover	GRI 401-1	25
	Total number of employees	Commonly reported metric by SGX issuers	16
<b>Development &amp; Training</b>	Average training hours per employee	GRI 404-1	24
	Average training hours per employee by gender		16, 24
<b>Occupational Health &amp; Safety</b>	Fatalities	GRI 403-9	26
	High-consequence injuries		26
	Recordable injuries		26
	Recordable work-related ill health cases		26

# SUSTAINABILITY REPORT

Topic	Metric	Framework Alignment	Page(s) in AR2023
<b>GOVERNANCE</b>			
<b>Board Composition</b>	Board independence	GRI 2-9	40-42
	Women on the board	GRI 2-7, GRI 2-9, GRI 405-1	23-24
<b>Management Diversity</b>	Women in the management team	GRI 2-7, GRI 405-1	24
<b>Ethical Behaviour</b>	Anti-corruption disclosures	GRI 205-1, GRI 205-2 and GRI 205-3	13
	Anti-corruption training for employees	GRI 205-2	13
<b>Certifications</b>	List of relevant certifications	Commonly reported metric by SGX issuers	25-26
<b>Alignment with Frameworks</b>	Alignment with frameworks and disclosure practices	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6	12
<b>Assurance</b>	Assurance of sustainability report	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6	12

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

## INTRODUCTION

A key innovator of satellite ground equipment products and solutions, Global Invacom Group Limited (“**GIGL**” or the “**Company**”) and its subsidiaries (collectively the “**Group**”) acknowledges the threat of climate change, its impact to the Group, and the responsibilities which the Group has in this area. This is the second year the Group is following the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). For the Group’s second TCFD Report, it will be reporting on a comply or explain basis.

GIGL has been reporting its Scope 1 and Scope 2 greenhouse gas (“**GHG**”) emissions since 2017 and one category of Scope 3 GHG emissions since 2018. In 2022, the Group had started reporting all of its Scope 3 GHG emissions in addition to the Scope 1 and Scope 2 GHG emissions.

The Board of Directors (the “**Board**”) remains committed to achieving net zero GHG emissions by 2050 and will aim to devise a tentative plan on how it will achieve this target by the end of 2025. More information on our GHG emission can be found under pages 20 to 23 of the Sustainability Report (“**SR**”).

Within this TCFD report, the Group describes how climate change may impact the business and how the Group can transition to reducing its carbon emissions and eventually achieving net zero. The Group has adopted the recommendations of the TCFD to provide an update and overview across each of the TCFD pillars of Governance, Strategy, Risk Management, and Metrics and Targets.

Depending on any future regulatory changes, the Group may report the TCFD in a different format or totally discontinue it and replace it with a compliant International Sustainability Standards Board format, as the case may be.

## GOVERNANCE

Our Board is the key body overseeing sustainability and the SR for the Group. The Chief Sustainability Officer (CSO), Mr Malcolm John Burrell, reports directly to the Board on all matters relating to sustainability. There is no separate sustainability committee at this point in time, with the Board being of the opinion that the operations of the Group are not currently at a size requiring a separate SR committee. The CSO provides strategic facts and data on all climate-related matters and reports to the Board. The Board meets at least four times per year. Currently, there are no specific ESG-related KPIs included in the remuneration plans of the key executives other than economic performance.

## STRATEGY

The Group does not yet have a strategy based on scenario analysis predicting the future of climate change. A strategy based on scenario analysis was not tabled in 2023 as the Group was undergoing reorganisation and restructuring. As such, the Group deems that to develop any scenario analysis at this point is not reflective of what the Group will undergo. Depending on the state of the restructuring, the Group would re-evaluate the scenarios in 2024.

The Group had intended to review the qualitative and quantitative climate modelling across our value chain to assess its resilience under different climate-related scenarios. In this section, we outline our preliminary approach, assumptions and the qualitative and quantitative outcomes of our analysis. We will then give an assessment of the Group’s resilience under these analysis and strategic response to it based on the assessment of short-, medium- and long-term analysis. As at now, the short term would be up to 5 years, whilst medium term is tentatively set between 5 to 10 years with longer term to be set at longer than 10 years.

For the purpose of our second TCFD reporting, we have decided to use year 2025 as the initial reference point for our reporting and analysis. Given the reorganisation and restructuring to be undertaken, there is no further changes to those previously assumptions made in 2023.



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

## Climate Modelling Approach

Based on our preliminary assessment, we have adopted University of Cambridge's Centre for Risk Studies<sup>1</sup> to define the methodology and build a climate modelling tool which was deemed to be relevant to the Group. This modelling simulations evaluated the potential directional impacts on the Group for transition and physical risk factors. The risk categorisation is aligned with TCFD recommendations<sup>2</sup> and summarised in the table.

	Transition risk	Physical risk
<b>Definition</b>	Risks related to shifts in the policy, technology, social and economic landscape that are likely to occur in the transition to a low carbon economy: <ul style="list-style-type: none"> <li>Policy</li> <li>Market</li> <li>Technology</li> <li>Reputation</li> </ul>	Risks related to physical impacts of climate change: <ul style="list-style-type: none"> <li>Acute event-driven extreme weather, e.g. heatwaves, freeze events, drought and water stress, storms, extreme rainfall and flooding</li> <li>Chronic longer-term climate shifts, e.g. sustained higher temperatures, sea level rise</li> </ul>
<b>Potential Impacts</b>	Depending on the nature and, particularly, the speed of the transition, varying levels of financial and reputational risks exist including: <ul style="list-style-type: none"> <li>Reduced revenues as consumer demands and preferences shift</li> <li>Increased costs of doing business</li> <li>Impacts on asset values</li> <li>Tangible and intangible asset obsolescence</li> </ul>	<ul style="list-style-type: none"> <li>Direct asset damage</li> <li>Indirect impacts including: <ul style="list-style-type: none"> <li>operations, e.g. flooding affecting manufacturing plants, supply chain, health and safety</li> <li>extended value chain, e.g. water availability affecting production of equipment parts</li> </ul> </li> </ul>
<b>Timing</b>	<ul style="list-style-type: none"> <li>Timing and velocity are uncertain, and more likely to be in the short- to medium-term</li> <li>Delaying the transition increases the likelihood of a more disorderly, disruptive and abrupt transition</li> </ul>	<ul style="list-style-type: none"> <li>Acute risks already occur today, and we expect the severity and frequency to increase</li> <li>Chronic risks are more likely to manifest over the longer term</li> </ul>

## Impact of Climate Change to the Group's Portfolio

As the Group is primarily in the business of manufacturing satellite communications ground equipment, the impact of climate change would not appear to significantly affect the demand for the Group's products. Cost increases attributable to climate change would likely be passed on. The Group does consider that flooding and other adverse climate impacts may affect some of our existing facilities and those in our supply chain and the Group will take this into account in its planning.

## Modelling Assumptions

The Group has used the modelling assumptions based on the following:

- Internal review based on the data and information available to the Group
- Publicly available data sources on climate change emission
- Each risk factor was model independently for the time being
- The time horizon used was a short-term outlook of 5 years

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

## Climate-related Transition Risks

Transition Risks	With no Mitigation	With Stated Policy	Paris Agreement <sup>3</sup>
<p><b>POLICY</b></p> <p>Action to constrain emission-intensive activities</p>	<p><b>Low</b></p> <p>Expected carbon price of ~USD4 per ton by 2025 with low financial impact</p>	<p><b>Medium</b></p> <p>Expected carbon price of ~USD40 per ton by 2025 with moderate increase in costs of production, distribution and raw materials</p>	<p><b>High</b></p> <p>Expected carbon price of ~USD80 per ton by 2025 with significant increase in costs of production, distribution and raw materials</p>
<p><b>TECHNOLOGY</b></p> <p>Development of emerging technology to support a lower-carbon economy</p>	<p><b>Low</b></p> <ul style="list-style-type: none"> <li>Minimal uptake of lower-carbon technology</li> <li>No immediate or near-term material investments required as there are no financial impact</li> </ul>	<p><b>Low</b></p> <ul style="list-style-type: none"> <li>Varying levels of uptake of lower-carbon technology</li> <li>Low investment levels required to maintain competitiveness</li> </ul>	<p><b>Medium</b></p> <ul style="list-style-type: none"> <li>Widespread adoption of lower-carbon technology with moderate investments to meet market pressure and regulation</li> <li>Input costs increase as suppliers pass on their own investment cost impacts</li> </ul>
<p><b>MARKET</b></p> <p>Shifts in supply and demand as consumers prefer sustainable alternatives</p>	<p><b>Low</b></p> <p>Very low proportion of consumers adopting more sustainable choices with limited supply and demand shifts</p>	<p><b>Low</b></p> <p>Low proportion of consumers adopting more sustainable choices with minimal supply and demand shift</p>	<p><b>Medium</b></p> <p>Higher proportion of consumers adopting more sustainable choices with wider ranging supply and demand shifts</p>
<p><b>REPUTATION</b></p> <p>Perception of the Group's contribution to a lower-carbon economy</p>	<p><b>Low</b></p> <p>Increasing consumer activism shunning companies and brands is the dominant trend resulting in revenue losses and/or missed growth opportunities</p>	<p><b>Low</b></p> <p>Both consumer activism and sustainability trends result in revenue losses and/or missed growth opportunities</p>	<p><b>Medium</b></p> <p>A shift to sustainability is the dominant trend resulting in revenue losses, and/or missed growth opportunities, as well as increasing the cost of capital</p>

Note: In general terms, a "low carbon economy" is the name used for an economy based on sustainable actions, mainly focused on reducing or even sequestering the greenhouse gases (GHG) generated in the production chain, resulting in less environmental impact.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

## Climate-related Physical Risks

To assess the Group's physical risks until 2025, we focused on impacts from extreme weather events including extreme temperature, water stress, storms and flooding risks. The physical impacts were assessed as relatively low. With increasing frequency and severity of extreme weather, volatility of the quantity and supply of raw materials may increase, potentially impacting manufacturing. Regional volatility may also increase, but overall we foresee limited impacts on our manufacturing activities over the next five years. Other potential physical impacts include damage to assets, operational interruptions and disruptions to customers' activities influencing demand.

Physical Risks	Estimated directional cumulative impacts <sup>5</sup> until 2025 across all scenarios considered
<b>RAW MATERIAL SUPPLY</b>	<p><b>Low</b></p> <p>Semiconductor, plastic parts and water supply used may be affected by physical events leading to increases in input costs due to changes in the availability and quality of raw materials:</p> <ul style="list-style-type: none"> <li>• High temperatures, water shortage and extreme weather variability does not affect the manufacturing or production of the Group other than the possibility of increase in component cost.</li> </ul>
<b>FACILITY AND DISTRIBUTION DISRUPTION</b>	<p><b>Low</b></p> <p>Operational disruption and property damage from physical events impacting productivity and increasing operational costs:</p> <ul style="list-style-type: none"> <li>• Growing incidences preventing employees being unable to access the workplace due to flooding or storms or extreme weather.</li> <li>• Increase in operating costs (e.g. energy costs, repair and maintenance, insurance premiums) and capital expenditures (e.g. write-offs and/or impairment of fixed assets, replacement costs, natural hazards defences) due to flooding or extreme weather causing fire.</li> </ul>
<b>MARKET DISRUPTION</b>	<p><b>Low</b></p> <p>Consumer demand for products and services impacted by physical events:</p> <ul style="list-style-type: none"> <li>• Revenue levels and demand forecasting disrupted by extreme weather events and/or weather variability impacting short-term and/or trends in consumption patterns.</li> </ul>

## The Group's Response to the Risk Analysis

The Group considers that the key climate-related challenges in the short-term are likely to be transition risks, with physical risks becoming a growing challenge beyond 2025.

### **RISK MANAGEMENT**

The Group's had used the current SR framework designed to identify, assess and mitigate risks to minimise their potential impact and support the Group's business strategy. The SR framework implemented since 2017 was supported by various processes:

- A top-down assessment is performed at Group level to create a good understanding of the organisation's key risks in SR identified material aspect; and
- A materiality assessment is carried out, where Management engages with external stakeholders to better understand the issues that are of most concern to them. For each issue, the assessment rates the degree of stakeholder concern and potential business impact.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT

The Group notes that climate analysis is continuous and an evolving topic. Our 2024 assessment approach and process, as well as how the insights were integrated into our overarching climate change strategy, are summarised in our Strategy mentioned above.

New findings, if any, will continue to be integrated into our future strategic planning and SR framework to help strengthen the Group's resilience, mitigation and responses. The results and learnings from this TCFD report will be presented to the Board for discussion and identification of new areas to cover.

Moving forward, we will continue to refine our identification, and assessment of climate risk and opportunities using scenario analysis to improve the robustness and comparability. More of our other risk management besides climate change can be found in our AR2023.

## METRICS AND TARGETS

Since 2017, the Group has collected and disclosed environmental, social and governance information in our SR. Targets, particularly to reduce our GHG emissions, are yet to be set, but will be in place by end 2025.

We continue to build upon our existing disclosed metrics and initial commitment to navigate our implementation of a net zero pledge. Our starting point is the collection of data. We will then set targets and plan to achieve net zero.

For more details on our sustainability effort, please read more in the AR2023 from pages 12 to 32.

### Footnotes:

- 1 The University of Cambridge's Centre for Risk Studies provides frameworks for recognizing, assessing and managing the impacts of systemic threats. They assess how associated impacts ripple across an increasingly connected world with consequent effects on the international economy, financial markets and global corporations.*
- 2 Based on the TCFD Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures, published in 2017.*
- 3 Its goal is to limit global warming to well below 2 degrees, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a climate neutral world by mid-century under the Paris Agreement. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016.*
- 4 Figures reflect current and estimated global average carbon price projections and include carbon pricing policies via either emissions trading systems or carbon taxes. The current level is based on the aggregate of the World Bank Carbon Pricing Dashboard up to 2025. Singapore's carbon pricing stands at S\$5/tCO<sub>2</sub>e in 2023 with adjustment to \$25/tCO<sub>2</sub>e in 2024 and 2025, and \$45/tCO<sub>2</sub>e in 2026 and 2027, with a view to reaching \$50-80 tCO<sub>2</sub>e by 2030 (Source: <https://www.mse.gov.sg/policies/climate-change/cpa>).*
- 5 For the purpose of the table above, financial impacts are cumulative up until 2025, and the impact ranges are defined as follows: Low ≤ US\$3 million; US\$3.1 million < Medium ≤ US\$5 million; US\$5.1 million < High ≤ US\$10 million*



# 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 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 the meetings of the Board and Board Committees held for the financial year ended 31 December 2023 (“FY2023”) are disclosed in the table below:

	Board	ARC	NC	RC
<b>Total Number of Meetings Held</b>	<b>12</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>Name of Director</b>	<b>Number of Meetings attended in FY2023</b>			
Wayne Robert Porritt	12	4	2	2
Gordon Blaikie	12	NA <sup>(1)</sup>	NA <sup>(1)</sup>	NA <sup>(1)</sup>
John Lim Yew Kong	11	4	2	1
Cosimo Borrelli <sup>(2)</sup>	6	3	2	2
Kenny Sim Mong Keang <sup>(3)</sup>	11	4	2	2

Notes:

- (1) Not applicable as he is not a member of the committee.
- (2) Mr Cosimo Borrelli resigned as Independent Director of the Company on 30 November 2023. He also relinquished his position as the Chairman of the NC and a member of the ARC and RC.
- (3) Mr Kenny Sim Mong Keang appointed as a member of the ARC, NC and RC on 30 November 2023. Prior to his appointment, he attended the meetings of the Board Committees by invitation.

Prior to each Board meeting and when the need arises, the Board is provided with complete and adequate information, thus allowing them to deliberate on issues which require consideration. The Management would also when required provide the explanatory documents on matters to be discussed before the meetings of the Board and Board Committees. 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.

In FY2023, all Directors attended and actively participated in the meetings of the Board and Board Committees of the Company. Directors who were absent from any meeting(s) of the Board and/or Board Committees had provided his view and comment, if any, before the meeting, and had received updates and minutes of the meeting discussion. All Directors, including Directors with multiple board representations had ensured sufficient time and attention were given to the affairs of each company. Other than the formal meetings of the Board and Board Committees, the Board also discussed the Company’s affairs regularly through email and/or informal meetings as and when deemed necessary.

The Directors have separate and independent access to Management, Company Secretaries and the external advisers (where necessary) 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 Secretaries administer, attend and prepare minutes of all the meetings of the Board and Board Committees for circulation and approval. The appointment and the removal of the Company Secretaries 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 Secretaries also provides updates on changes to the Companies Act 1967 of Singapore, the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”) (the “Listing Manual”) as and when the changes become effective.

# REPORT ON CORPORATE GOVERNANCE

In addition, as required under the Listing Manual, a new director who has no prior experience as director of a company listed on the SGX-ST (“**first-time director**”) will undergo training as prescribed by the SGX-ST. There was no new Director appointed by the Company in FY2023.

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 at the end of FY2023 and the date of this report, the composition of the Board is summarised in the table below:

Name of Directors	Designation	Age
Wayne Robert Porritt	Independent Non-Executive Chairman	56
Gordon Blaikie	Executive Director and Interim Chief Executive Officer	58
John Lim Yew Kong	Lead Independent Director	62
Kenny Sim Mong Keang	Non-Independent Non-Executive Director	54

There is a strong and independent element on the current Board composition. Out of the four members, two are Independent Directors, one Executive Director, and one Non-Independent Non-Executive Director. As a whole, there are three Non-Executive Directors which make up a majority of the Board, including the Board Chairman who is non-executive and independent. Accordingly, the composition of the Board is in compliance with the Code and the Listing Rules.

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

The Non-Executive Directors, led by the Lead Independent Director and/or the Non-Executive Chairman, meet without the presence of Management as and when necessary, and provide feedback to the Board as appropriate. The Non-Executive Directors have met more than once in the absence of Management in FY2023. Upon the retirement of Mr John Lim Yew Kong (“**Mr John Lim**”) as a director upon the conclusion of the forthcoming annual general meeting, the Board will not be appointing another Lead Independent Director as the current Chairman of the Board is an independent director.

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 and Wayne Porritt continue to be independent. Each member of the NC abstained from deliberations in respect of the assessment on his own independence.

# REPORT ON CORPORATE GOVERNANCE

Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST and the Transition Practice Note 4 on Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr John Lim, who has been a Director for an aggregate period of more than nine years, will cease to be considered independent after the conclusion of the forthcoming AGM to be held on 24 April 2024. As part of the Board renewal process, Mr John Lim will be retiring and will not seek for re-election as a Director of the Company at the forthcoming AGM.

The NC and the Board are currently assessing potential candidates to replace Mr John Lim as part of the Board renewal process and to ensure compliance with the Listing Manual and/or the Code. The Company will make an announcement(s) regarding the appointment of new director, and/or revision to the composition of the Board and its Committees on the SGXNet, once details are available.

The Company has adopted a Board Diversity Policy, overseen by the NC, which is responsible for setting and maintaining the Board Diversity Policy, including setting of its targets, plans and timelines. 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 with a diverse Board, it is more effective in dealing with organisational changes as well as getting different views. This also provides an opportunity to ensure that all Board discussion and decisions made are considered from all angles.

The NC and the Board have established the following diversity targets, plans, and timeline. When identifying potential candidates as director, the Board will prioritize individuals based on the skills, experience, and expertise required to drive the Group's strategy, business objectives, and focus, whilst the Board will also take into account its gender diversity target.

Diversity Targets	Progress, Plan & Timeline
Ensure appropriate balance, skills, experience and knowledge to drive the Group's strategy, business and focus	<p>In FY2023, the NC conducted a thorough review of the Board's composition, assessing skills, experience, and knowledge. Given the Group's current emphasis on ongoing operational restructuring, the NC has determined that the existing Board possesses a diverse and balanced range of skills, experience, and knowledge crucial to the Company's needs. This includes directors with expertise in corporate finance, corporate restructuring, risk management, financial restructuring, corporate advisory, and pertinent industry knowledge. Such diversity ensures a productive exchange of ideas and perspectives within the Board, aligning effectively with the Group's current operations and strategic focus.</p> <p>With the proposed retirement of Mr John Lim at the forthcoming AGM scheduled on 24 April 2024, the NC and the Board are actively seek a suitable candidate to fill his vacant position. Specifically, the focus will be getting a candidate with experience and expertise in the field of corporate finance to complement the existing skill set of the Board.</p>
To have at least one female representation on Board	<p>The Board recognises that the current composition are male. While acknowledging the benefits of having gender diversity in offering differing opinion, the NC and the Board is actively seeking a qualified female candidate with the appropriate skills, experience, and knowledge to join the Board.</p> <p>The Board aims to achieve some representation of gender diversity, with a target to appoint at least one female director on to the Board, by the financial year ending 31 December 2026.</p>

The NC will continue to review and consider the targets and the composition of the Board from time to time, and to do necessary adjustments as and when required to ensure that the composition of the Board aligns with the needs of the Group's business, its operating environment, and its current and future strategic objectives and focus areas.

# REPORT ON CORPORATE GOVERNANCE

## Principle 3: Chairman and Chief Executive Officer

Mr Wayne Robert Porritt (“**Mr Wayne Porritt**”) is the Independent Non-Executive Chairman of the Board, and Mr Gordon Blaikie is the Executive Director and Interim Chief Executive Officer of the Company. Messrs Wayne Porritt and Gordon Blaikie are not related to each other. The Board has established and set out in writing the division of roles and responsibilities between the Chairman and the Chief Executive Officer (“**CEO**”) to ensure an appropriate balance of power and authority, increased accountability and greater capacity of the Board for independent decision making, thus no individual represents a considerable concentration of power.

The CEO is responsible for managing and overseeing 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. The main responsibilities of Chairman 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 Secretaries assist the Chairman in scheduling meetings of the Board and Board Committees and prepare agenda papers in consultation with the Chairman.

The Chairman ensures that Board meetings are held as and when necessary, sets the meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues. He also ensures that any information and materials to be discussed at Board meetings are circulated to Directors so as to enable them to be updated and prepared, thereby enhancing the effectiveness of the Non-Executive Directors and the Board as a whole. He engages and promotes constructive engagement and open interaction as well as contribution among the Directors and engages with relevant Management regularly. The Chairman assumes the lead role in promoting high standards of corporate governance and ensures the effective communication with shareholders. He is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

## Principle 4: Board Membership

The NC comprises a majority of Independent Directors. The Chairman of the NC, Mr Wayne Robert Porritt, an Independent Director, is not associated with any substantial shareholders. The members of the NC are:

- (i) Wayne Robert Porritt (Chairman)
- (ii) John Lim Yew Kong
- (iii) Kenny Sim Mong Keang

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 recommendations to the Board in determining the maximum number of listed company board representations which any Director may hold.



# REPORT ON CORPORATE GOVERNANCE

- 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 succession and leadership development plans of the key management personnel, as well as setting the board diversity policy, targets, plans and timelines for Board approval. 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 would be sourced through independent third party and may include but not limited to the network of contacts of the Board and Management. Candidates are identified based on the needs and the relevant expertise required by the Company assessed by NC during the annual review. The Company may also appoint professional search firms, associations or recruitment consultants to assist with the pre-screening of a potential candidate, if he or she, is required to have specific skill set or industry specialisation. The NC, after assessing and having interviewed each candidate, will nominate and recommend the most suitable candidate for appointment to the Board for approval with their reasons and justifications.

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 Director shall be eligible for re-election at the AGM.

Mr Wayne Porritt who is retiring at the forthcoming AGM pursuant to Regulation 105 of the Company's Constitution, has offered himself for re-election. The Board has accepted the NC's recommendation and Mr Wayne Porritt be nominated for re-election at the Company's forthcoming AGM.

Mr Wayne Porritt will, upon re-election as a Director of the Company, remain as the Independent Non-Executive Chairman of the Board, Chairman of the NC and RC, as well as member of the ARC. Mr Wayne Porritt 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.

Mr John Lim, who has been a Director for an aggregate period of more than nine years, will be retiring and will not seek for re-election as a Director of the Company at the forthcoming AGM.

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

<b>Name of Directors</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Date of Last Election/Re-election</b>
Wayne Robert Porritt	Independent Non-Executive Chairman	9 October 2020	28 April 2021
Gordon Blaikie	Executive Director and Interim CEO	1 July 2021	27 April 2022
John Lim Yew Kong	Lead Independent Director	13 September 2010	26 April 2023
Kenny Sim Mong Keang	Non-Independent Non-Executive Director	23 September 2015	27 April 2022

The NC considered and is of the opinion that the multiple board representations held by the Directors do not impede their performance in carrying out their duties to the Company. For FY2023, 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.

# REPORT ON CORPORATE GOVERNANCE

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

Name of Directors	Present Directorships/Chairmanship in listed companies (as at March 2024)	Other Principal Commitments
Wayne Robert Porritt	<ul style="list-style-type: none"> <li>Global Invacom Group Limited (Director)</li> <li>Sun Hung Kai &amp; Co. Limited (Director)</li> </ul>	<ul style="list-style-type: none"> <li>Oxfam Hong Kong (Council Member and Association Member &amp; Member of Fundraising and Communications Committee);</li> <li>Asia Society Australia</li> <li>Green Heaven Investments Limited &amp; August Gold Limited</li> </ul>
Gordon Blaikie	<ul style="list-style-type: none"> <li>Global Invacom Group Limited (Director)</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> </ul>
John Lim Yew Kong	<ul style="list-style-type: none"> <li>Global Invacom Group Limited (Director)</li> <li>ZICO Holdings Inc (Director)</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Kenny Sim Mong Keang	<ul style="list-style-type: none"> <li>Global Invacom Group Limited (Director)</li> <li>ZACD Group Ltd (Director)</li> <li>USP Group Limited (Director)</li> </ul>	<ul style="list-style-type: none"> <li>I2 Capital Pte Ltd (Director)</li> <li>FSK Advisory Pte Ltd (Director and CEO)</li> <li>CESK Capital Pte. Ltd. (Director)</li> <li>Maximus Fortune Pte. Ltd. (Director)</li> </ul>

There was no alternate director being appointed by any Director for FY2023.

The details of the shareholdings of the Directors 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 and 9 of this Annual Report.

## Principle 5: Board Performance

The NC evaluates the performance of the Board, each Board Committee, individual Directors and chairman annually based on established criteria.

For FY2023, all Directors were requested to complete their Performance Evaluation Questionnaires for the Board, Individual Directors and Chairman. In addition, each member of the Board Committees was requested to complete their respective Board Committees' Performance Evaluation Questionnaire. All completed evaluation questionnaire and forms were collated and summarised by the Company Secretaries. The summary of findings of these evaluation forms were presented to the NC and the Board for review and deliberation. The Chairman of the NC confers with the Board on the findings and appropriate follow-up actions were taken, where needed.

### Board Evaluation Process

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

- Board composition;
- Information of the Board;
- Board Procedures;
- CEO/Top Management; and
- Standards of Conduct.

# REPORT ON CORPORATE GOVERNANCE

## Board Committees Evaluation Process

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

### (i) Audit & Risk Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Financial reporting;
- (e) Internal financial controls and risk management systems;
- (f) Risk management framework, policies and strategy;
- (g) Identification, managing and monitoring of risk;
- (h) Employee risk culture and awareness training;
- (i) Internal audit process;
- (j) External audit process;
- (k) Whistle-blowing;
- (l) Relationship with the Board; and
- (m) Communication with shareholders.

### (ii) Nominating Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Reporting;
- (e) Process for selection and appointment of new Directors;
- (f) Nomination of Directors for re-election;
- (g) Independence of Directors;
- (h) Board performance evaluation;
- (i) Succession planning;
- (j) Director who has multiple board representations;
- (k) Standards of conduct; and
- (l) Communication with shareholders.

### (iii) Remuneration Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Remuneration framework;
- (e) Reporting;
- (f) Standards of conduct; and
- (g) Communication with shareholders.

## Individual Directors and Chairman Evaluation Process

The evaluation serves to assess the effectiveness of individual Director and the Chairman on the following parameters:

- (a) Director's duties;
- (b) Leadership;
- (c) Communication skills;
- (d) Strategy and risk management;
- (e) Board contribution;
- (f) Knowledge;
- (g) Interaction; and
- (h) Chairman Leadership (assessment for the Board Chairman only).

# REPORT ON CORPORATE GOVERNANCE

Based on the summary of findings of the evaluation for FY2023 together with the feedback and recommendations from each Director, the NC was satisfied that the Board as a whole, each Board Committee, each individual Directors and the Board Chairman had met their performance objective in FY2023.

For FY2023, 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 Non-Executive Directors, majority of whom, including RC Chairman are independent. The members of the RC are:

- (i) Wayne Robert Porritt (Chairman)
- (ii) John Lim Yew Kong
- (iii) Kenny Sim Mong Keang

The principal function of the RC 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.

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 Director 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.

In setting remuneration packages for the Executive Director 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 Board has discussed on whether to tie the key management personnel's remuneration package with some weightage to the current climate and/or sustainability targets. Given the Group is in the midst of restructuring, the Board concurred that the imposition of any KPIs relating to climate change or sustainability will be deferred until the restructuring is completed.

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.

# REPORT ON CORPORATE GOVERNANCE

Directors' fees take into account the relevant level of contribution and responsibilities of the Directors. 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 as follows:

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

The Directors' fees for FY2023 paid quarterly in arrears amounted to S\$290,863. The Non-Executive Director and Independent Directors had voluntarily taken a 15% reduction on their fees for FY2023 and the Board Chairman had waived his fees for the role as Board Chairman for FY2023. 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 FY2024 would have been S\$354,031 (including S\$59,744 as provision for the new appointment of an additional Independent Director). In view of the on-going challenges faced by the Group, 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 taking a 15% reduction on their fees for FY2024 and the Board Chairman volunteered waiving his fees for the role as Board Chairman for FY2024. The Board will table the recommendation of Directors' fees of S\$300,927 (including S\$50,783 as provision for the new appointment of an additional Independent Director) to be paid quarterly in arrears at the Company's forthcoming AGM for shareholders' approval.

No Director was involved in determining their own remuneration.

Mr Gordon Blaikie, as Executive Director of the Company, does not receive any Directors' fees.

## Principle 7: Level and Mix of Remuneration

The Group has in place a remuneration policy for Executive Director 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.

There were Global Invacom Share Option Scheme 2013 (the "2013 Scheme") and the Global Invacom Performance Share Plan 2013 (the "Global Invacom PSP") adopted by the Group, 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.

For FY2023, the Company has granted an aggregate number of 1,800,000 share options to the employees (including Key Management Personnel) of the Group as part of the Group's effort to reward, retain and motivate the key employees. 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.



# REPORT ON CORPORATE GOVERNANCE

Both the 2013 Scheme and Global Invacom PSP have expired on 16 September 2023. The Company is seeking to appoint an external consultant for the renewal of its long-term incentive scheme(s) to effectively reward, retain and motivate the Group's employees, including the key management personnel.

The remuneration of Non-Executive Directors is set appropriately 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 Director, 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 Director and CEO will not be provided.

The Group is involved in a very niche market with globally, less than ten major players, of which the Group is one. Those people named within the Executive Director 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.

The details of the remuneration paid and payable to the Executive Director and the top five key management personnel for FY2023 are as shown:

Name of Executive Director and Key Management Personnel	Remuneration Band <sup>(1)</sup>	Base/Fixed Salary (%)	Variable or Performance	Benefits in Kind (%)	Total (%)
			Related Income/Bonus (%)		
<b>Executive Director</b>					
Gordon Blaikie	2	86.5	9.0	4.5	100.0
<b>Key Management Personnel</b>					
Robert Mallinson <sup>(2)</sup>	3	97.2	2.4	0.4	100.0
Derek Arthur Henry Grice	2	94.2	1.4	4.4	100.0
Hamid Moheb Mckee	2	94.1	0.0	5.9	100.0
Michael Jackson	2	92.5	0.0	7.5	100.0
Wendy Isabel Wong Pei Fern	3	90.1	9.9	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 Robert Mallinson was appointed as Finance Director of the Company on 30 May 2023.

# 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 FY2023 are set out in the table below:

<b>Non-Executive Directors</b>	<b>Directors' Fees Paid (S\$)</b>
Wayne Robert Porritt <sup>(1)</sup>	80,713
John Lim Yew Kong	89,250
Cosimo Borrelli <sup>(2)</sup>	73,559
Kenny Sim Mong Keang <sup>(3)</sup>	47,341
<b>Total</b>	<b>290,863</b>

Notes:

- (1) Mr Wayne Robert Porritt was appointed as Chairman of the NC on 30 November 2023.
- (2) Mr Cosimo Borrelli resigned as a Director on 30 November 2023.
- (3) Mr Kenny Sim Mong Kean was appointed as member of the ARC, NC and RC on 30 November 2023.

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 FY2023.

The RC also noted the Code's recommendation for the disclosure of information on the link between remuneration paid to the Executive Director 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 Director 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 Director 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 FY2023, 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.

The Board, with the assistance from the ARC, has overall responsibility for the governance of risk and determines the nature and extent of the significant risks which it is willing to take. The ARC assists the Board in carrying out the Board's responsibility of overseeing the Group's risk management framework and policies. The ARC oversees Management in the design, implementation and monitoring of risk management and internal controls systems. The ARC also makes recommendations to the Board on the nature and extent of the significant risks, including risk tolerance limits and other associated risk parameters, which the Board is willing to assume in achieving its strategic objectives and value creation.

During the year, the ARC and 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. There were no material weaknesses identified by the Board and/or the ARC.

# REPORT ON CORPORATE GOVERNANCE

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, compliance and 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 assurance confirming 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;
- (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:

- (a) written assurance from the Interim CEO, the Financial Director 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
- (b) written assurance from the Interim 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 Non-Executive Directors, majority of whom, including ARC Chairman are independent. For FY2023, the members of the ARC are:

- (i) John Lim Yew Kong (Chairman)
- (ii) Wayne Robert Porritt
- (iii) Kenny Sim Mong Keang

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 two 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;

# REPORT ON CORPORATE GOVERNANCE

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 Listing Manual;
11. Reviews the risks identified by the Enterprise Risk Management process and the effectiveness of the Company's management of risks;
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 FY2023, 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 matter highlighted by the external auditors impacting the financial statements was discussed with Management and the external auditors which was reviewed by the ARC.

Significant Matter	How the ARC Reviewed This Matter and What Decision Was Made
Valuation of Inventories	<p>The ARC had considered the approach and methodology applied by Management to the valuation model in assessing the valuation of the inventories.</p> <p>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.</p> <p>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 FY2023. Refer to page 69 of this Annual Report.</p>

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

The Company's external auditor, Moore Stephens LLP is an audit firm registered with the Singapore Accounting and Corporate Regulatory Authority. The Company is satisfied that the external auditor meet its audit obligations, having regard to the adequacy of the resources and experience of Moore Stephens LLP and the audit partner-in-charge assigned to the audit, their other audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.

# REPORT ON CORPORATE GOVERNANCE

The audit of the accounts of the Company's subsidiaries in Singapore were performed by Moore Stephens LLP and the audit of the accounts of the Company's foreign subsidiaries were performed by member firms of Moore Global Network Limited and other auditors. The auditing firms of the Company and its subsidiaries are disclosed in Note 12 of the Notes to the Financial Statements as set out in this Annual Report.

The Company is in compliance with Rules 712 and 715 of the Listing Manual in respect of the suitability of the auditing firms.

The ARC noted there was no non-audit services provided by the external auditors to the Group for FY2023, and is satisfied with the independence of Moore Stephens LLP as the external auditors of the Company. The ARC, taking into consideration the above, 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 and the regulatory updates. The Group has adopted all of the new or revised accounting standards that are mandatory for application for the financial period beginning 1 January 2023 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.

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 ARC, 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 FY2023 is outsourced to CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**"). CLA Global TS is a company of CLA Global TS Holdings Pte Ltd, an independent member firm of CLA Global Network. CLA Global TS provides a full spectrum of professional services and is recognised as an established mid-tier accounting firm for more than 30 years. CLA Global TS is a member of the Institute of Internal Auditors Singapore, and is staffed with professionals with relevant qualifications and experience in areas such as 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. CLA Global TS has unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.



# REPORT ON CORPORATE GOVERNANCE

The internal audit function is carried out based on the CLA Global 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, as laid out in the International Professional Practices Framework issued by the Institute of Internal Auditors.

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.

Based on the above, the ARC is satisfied that the internal audit function by CLA Global TS is adequately resourced and staffed with persons with the relevant qualifications and experience. Accordingly, the ARC believes that the Group's internal audit function is independent, effective and adequately resourced.

The ARC met with the external and internal auditors, without the presence of Management, for FY2023 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;
- (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](http://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 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 published to the SGXNet within one month after the general meetings.

# REPORT ON CORPORATE GOVERNANCE

The AGM is a principle forum for dialogue and interaction with all Shareholders. The Company's forthcoming AGM will be held on 24 April 2024, notice of which is set out on pages 144 to 148 of this annual report. The Company encourages active participation from the Shareholders at its AGMs. At the AGM, shareholders will be given the opportunity to voice their views and seek clarifications. Further, all resolutions will be put to vote by way of a poll, and the detailed results will be announced via SGXNet after the conclusion of the meeting.

To facilitate voting by the Shareholders, the Constitution allow the Shareholders to appoint up to two proxies to attend and vote in the shareholders' place at the general meetings of the shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings. Proxy forms can be sent to the Company by mail. Each distinct issue will be tabled for shareholders' approval via separate resolutions of AGMs.

The Chairmen of the Board Committees as well as the external auditors will be present and available to assist the Board in addressing any queries from the Shareholders. In addition, the minutes of the AGM, including substantial questions addressed during the meeting will be published within one month after the general meeting.

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 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, gearing, 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. Due to the operating conditions faced by the Group, no dividend was declared for FY2023.

The Company provide update on the financial performance and corporate developments via SGXNet 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.

## SECURITIES TRANSACTIONS

The Group has adopted an internal compliance code of conduct which provides guidance to Directors, and officers with regards to dealing in the Company's securities. Directors and officers 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 and officers are prohibited from dealing in securities of the Company one month before the release of the half-yearly and 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 FY2023.

# REPORT ON CORPORATE GOVERNANCE

## 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.

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 FY2023.

## 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, financial 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 30 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.

A highly integrated satellite ground network equipment provider, Global Invacom Group seeks to be an environmentally sustainable and profitable organisation. A pillar of our corporate ethos is to be protective of the natural world and society via our own efforts and collaboration 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 FY2023 as set out in this Annual Report.

# REPORT ON CORPORATE GOVERNANCE

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

<b>Name of person</b>	<b>Wayne Robert Porritt</b>
<b>Date of appointment</b>	9 October 2020
<b>Date of last re-appointment</b>	28 April 2021
<b>Age</b>	56
<b>Country of principal residence</b>	Australia
<b>The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration, and the search and nomination process)</b>	After assessing Mr Wayne Porritt's experience and contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee and the Board is satisfied that Mr Wayne Porritt will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr Wayne Porritt be re-elected as Director of the Company.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Non-Executive
<b>Job title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Independent Non-Executive Chairman, NC and RC Chairman, and ARC Member
<b>Professional qualifications</b>	Graduate Member of the Australian Institute of Company Directors
<b>Working experience and occupation(s) during the past 10 years</b>	<p>Mr Wayne Porritt is an accomplished global risk professional with significant experience engaging with regulatory authorities across Asia, the United Kingdom and the United States.</p> <p>He has held non-executive board roles in a number of banking, finance and commodity trading business and has worked extensively across Asia, Middle East and Africa, particular in Greater China, South Korea, Thailand and Japan.</p> <p>Mr Wayne 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 &amp; Young and Société Générale Australia.</p> <p>Over his career, he has specialised in risk, corporate credit, global financial restructuring and insolvency engagements for corporate and financial institutions.</p>
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Nil

# REPORT ON CORPORATE GOVERNANCE

<p><b>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</b></p>	<p>Nil</p>
<p><b>Conflict of interest (including any competing business)</b></p>	<p>Nil</p>
<p><b>Undertaking (in the format set out in <a href="#">Appendix 7.7</a>) under <a href="#">Rule 720(1)</a> has been submitted to the listed issuer</b></p>	<p>Yes</p>
<p><b>Other Principal Commitments* including directorships#</b>          * “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).</p>	
<p><b>Past (for the last 5 years)</b></p>	<ul style="list-style-type: none"> <li>• Noble Group Limited</li> <li>• Skylight Financial Solutions Pty Limited</li> <li>• Floatel Newco Limited</li> <li>• Floatel International Ltd</li> <li>• The Aurora Group – A Ruby Foundation Limited</li> <li>• Aurora NewCo Limited</li> <li>• Bruny Island Pty Limited – Non-Executive Director</li> </ul>
<p><b>Present</b></p>	<ul style="list-style-type: none"> <li>• Oxfam Hong Kong – Council Member and Association Member, Member of Fundraising and Communication</li> <li>• Sun Hung Kai &amp; Co. Limited – Independent Non-Executive Director, Chair of Risk Management Committee, Member of ESG Committee</li> <li>• Immobiliari Pty Limited – Director</li> <li>• Consigliere Australia Pty Limited – Director</li> <li>• Asia Society Australia – Director</li> <li>• Dalton School Hong Kong Foundation – Director</li> <li>• Lily Bermuda Holding Limited – Director</li> <li>• August Gold Limited – Director</li> <li>• Best Global Investments Limited (In receivership) – Director</li> <li>• Fivestar Bloom Limited (In receivership) – Director</li> <li>• Jovial Harbour Holdings Limited (In receivership) – Director</li> <li>• Brilliant Coast Limited (In receivership) – Director</li> <li>• Honour Treasure Limited (In receivership) – Director</li> <li>• Chance Boom Global Limited (In receivership) – Director</li> <li>• Iconic Hero Limited (in receivership) – Director</li> <li>• Modern Success Global Limited (in receivership) – Director</li> <li>• Green Heaven Investments Limited – Director</li> <li>• CMIG International Holding Pte.Ltd. – Director</li> </ul>



# REPORT ON CORPORATE GOVERNANCE

(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
(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?	<p>Yes</p> <p>In addition to the information announced on 9 October 2020, Floatel International Ltd (which Mr Wayne Porritt was a Director) had filed voluntary winding-up petition before the Bermuda court on 16 December 2020, and the said winding-up petition had been withdrawn.</p> <p>Mr Wayne Porritt was appointed as Director of the group of companies in December 2023, which are in receivership since January 2024:</p> <ul style="list-style-type: none"> <li>– Best Global Investments Limited</li> <li>– Fivestar Bloom Limited</li> <li>– Jovial Harbour Holdings Limited</li> <li>– Brilliant Coast Limited</li> <li>– Honour Treasure Limited</li> <li>– Chance Boom Global Limited</li> <li>– Iconic Hero Limited</li> <li>– Modern Success Global Limited</li> </ul>
(c) Whether there is any unsatisfied judgment against him?	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
(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
(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

## REPORT ON CORPORATE GOVERNANCE

(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
(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
(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
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(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</p> <p>(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</p> <p>(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;</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>Yes</p> <p>There is no change in the information as announced on 9 October 2020.</p> <p>No</p> <p>No</p> <p>No</p>
(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
Any prior experience as a director of an issuer listed on the Exchange?	N.A. This relates to re-appointment of Director.

## REPORT ON CORPORATE GOVERNANCE

If yes, please provide details of prior experience.	N.A.
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.	N.A.
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).	N.A.

# 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 2023 and the statement of financial position of the Company as at 31 December 2023.

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 2023 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:

Wayne Robert Porritt	Independent Non-Executive Chairman
Gordon Blaikie	Executive Director
John Lim Yew Kong	Lead Independent Director
Kenny Sim Mong Keang	Non-Independent 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 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	
	1.1.2023	31.12.2023	1.1.2023	31.12.2023
<u>The Company</u>				
(No. of ordinary shares)				
John Lim Yew Kong	15,000	15,000	-	-
Cosimo Borrelli				
(resigned on 30 November 2023)	-	-	497,900	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2024.

# DIRECTORS' STATEMENT

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

- (b) According to the register of directors' shareholdings, the following director 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		
	1.1.2023	31.12.2023	21.1.2024
Gordon Blaikie	2,194,000	3,350,000	3,350,000

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 expired on 16 September 2023. 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), John Lim Yew Kong and Kenny Sim Mong Keang.

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. The 2013 Scheme has expired on 16 September 2023.

#### Options Granted

During the financial year, 1,800,000 options were granted. 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			Options outstanding		Number of option holders as at 31.12.2023	Exercising period (note reference)
		as at 1.1.2023	Options granted	Options exercised	Options lapsed	as at 31.12.2023		
7.7.2013	0.170	322,000	-	-	(322,000)	-	-	(1)
7.7.2013	0.170	322,000	-	-	(322,000)	-	-	(2)
22.6.2015	0.311	1,100,000	-	-	-	1,100,000	4	(3)
22.6.2015	0.311	1,100,000	-	-	-	1,100,000	4	(4)
9.3.2016	0.117	975,000	-	-	-	975,000	5	(5)
9.3.2016	0.117	975,000	-	-	-	975,000	5	(6)
22.8.2022	0.070	4,900,000	-	-	(800,000)	4,100,000	18	(7)
22.8.2022	0.070	4,900,000	-	-	(800,000)	4,100,000	18	(8)
2.3.2023	0.050	-	900,000	-	-	900,000	1	(9)
2.3.2023	0.050	-	900,000	-	-	900,000	1	(10)



# 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 lapsed on 6 July 2023.
- (2) The options granted to employees, including a director, have lapsed on 6 July 2023.
- (3) The options granted to employees, including a director, have an exercising period of 9 years commencing from 22 June 2016 to 21 June 2025.
- (4) The options granted to employees, including a director, have an exercising period of 8 years commencing from 22 June 2017 to 21 June 2025.
- (5) The options granted to employees, including a director, have an exercising period of 9 years commencing from 9 March 2018 to 8 March 2026.
- (6) The options granted to employees, including a director, have an exercising period of 8 years commencing from 9 March 2019 to 8 March 2026.
- (7) The options granted to employees have an exercising period of 9 years commencing from 22 August 2023 to 21 August 2032.
- (8) The options granted to employees have an exercising period of 8 years commencing from 22 August 2024 to 21 August 2032.
- (9) The options granted to the director has an exercising period of 9 years commencing from 2 March 2024 to 1 March 2033.
- (10) The options granted to the director has an exercising period of 8 years commencing from 2 March 2025 to 1 March 2033.

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 director of the Company are as follows:

	<b>Options granted for the financial year ended 31.12.2023</b>	<b>Aggregate granted since commencement of the 2013 Scheme to 31.12.2023</b>	<b>Aggregate lapsed since commencement of the 2013 Scheme to 31.12.2023</b>	<b>Aggregate options outstanding as at 31.12.2023</b>
Gordon Blaikie	1,800,000	3,994,000	(644,000)	3,350,000

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 expired on 16 September 2023. 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), John Lim Yew Kong and Kenny Sim Mong Keang. 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. The Global Invacom PSP has expired on 16 September 2023.

# 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 2023. 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:

	<b>Shares awarded for the financial year ended 31.12.2023</b>	<b>Aggregate shares awarded since commencement of the Global Invacom PSP to 31.12.2023</b>
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)  
Wayne Robert Porritt  
Kenny Sim Mong Keang

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;

# DIRECTORS' STATEMENT

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

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

Wayne Robert Porritt  
Director

Gordon Blaikie  
Director

Singapore  
2 April 2024

# 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 2023, 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 material accounting policy 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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2023 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLOBAL INVACOM GROUP LIMITED

## Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the key audit matter
<p><u>Valuation of inventories</u></p> <p>We refer to Note 3(n), Note 4(a)(i) and Note 17 to the consolidated financial statements.</p> <p>The carrying amount of the Group's inventories stood at US\$19.9 million which represented 36.4% of the Group's total assets as at 31 December 2023. Inventories 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.</p> <p>We focused on this area because of the materiality of the balances and the degree of significant judgement involved in providing for the allowance for stock obsolescence based on historical obsolescence and slow-moving history. Key factors being considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p><u>Our audit response:</u></p> <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>▪ Updated our understanding of the Group's processes and key controls relating to the inventory costing and assessment of allowance for stock obsolescence.</li> <li>▪ Performed testing on the cost of inventories to assess whether inventories are stated at lower of cost and net realisable value.</li> <li>▪ Compared subsequent selling prices against the carrying amounts of the inventories at the reporting date.</li> <li>▪ Reviewed inventory aging records and historical trends on whether there were significant inventories written off or reversal of allowance for inventory obsolescence.</li> <li>▪ Discussed with management and evaluated management's assessment of allowance for inventory obsolescence by observing the condition of the inventories during the stock count and verifying subsequent sales.</li> </ul> <p><u>Our audit findings:</u></p> <p>We found the management's assessment of the allowance for inventory obsolescence to be reasonable based on available evidence.</p>

## 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.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLOBAL INVACOM GROUP LIMITED

## 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 and SFRS(I)s, 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.

## 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLOBAL INVACOM GROUP LIMITED

## Auditors' Responsibility for the Audit of the Financial Statements (cont'd)

- 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.

## 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 Lao Mei Leng.

## Moore Stephens LLP

Public Accountants and  
Chartered Accountants

Singapore  
2 April 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 US\$'000	2022 US\$'000 (Restated)
Revenue	5	64,397	72,769
Cost of sales		(48,539)	(58,349)
Gross profit		15,858	14,420
Other income		4,662	46
Distribution costs		(214)	(254)
Administrative expenses		(17,677)	(16,490)
Research and development expenses		(4,169)	(3,710)
Impairment of goodwill	13	–	(5,199)
Other operating expenses		(172)	(2,911)
Finance costs	6	(206)	(478)
<b>Loss before income tax</b>	7	(1,918)	(14,576)
Income tax credit/(expense)	8	951	(956)
<b>Loss for the year</b>		(967)	(15,532)
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss			
– Exchange differences on translation of foreign subsidiaries		276	1,666
<b>Other comprehensive income for the year, net of tax</b>		276	1,666
<b>Total comprehensive loss for the year</b>		(691)	(13,866)
<b>Loss for the year attributable to:</b>			
Equity holders of the Company		(963)	(15,527)
Non-controlling interests		(4)	(5)
		(967)	(15,532)
<b>Total comprehensive loss for the year attributable to:</b>			
Equity holders of the Company		(687)	(13,861)
Non-controlling interests		(4)	(5)
		(691)	(13,866)
<b>Loss per share attributable to the equity holders of the Company (cents)</b>			
– Basic	9	(0.35)	(5.72)
– Diluted	9	(0.35)	(5.72)

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	10	5,651	6,641	5	–
Right-of-use assets	11	1,796	3,095	–	41
Investments in subsidiaries	12	–	–	17,909	17,824
Goodwill	13	893	893	–	–
Intangible assets	14	1,137	1,417	–	–
Deferred tax assets	15	625	585	–	–
Other receivables and prepayments	19	54	54	–	–
		10,156	12,685	17,914	17,865
<b>Current Assets</b>					
Due from subsidiaries	16	–	–	3,594	2,499
Inventories	17	19,882	22,869	–	–
Trade receivables	18	11,052	10,011	–	–
Other receivables and prepayments	19	1,700	1,274	14,948	13,786
Tax receivables		976	167	–	–
Cash and cash equivalents	20	10,795	9,244	253	168
		44,405	43,565	18,795	16,453
<b>Total assets</b>		<b>54,561</b>	<b>56,250</b>	<b>36,709</b>	<b>34,318</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	60,423	60,423	74,240	74,240
Treasury shares	21	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	22	(25,763)	(25,160)	(38,622)	(38,472)
Equity attributable to owners of the Company		33,004	33,607	33,962	34,112
Non-controlling interests		(28)	(24)	–	–
<b>Total equity</b>		<b>32,976</b>	<b>33,583</b>	<b>33,962</b>	<b>34,112</b>
<b>Non-current Liabilities</b>					
Other payables	23	162	172	–	–
Lease liabilities	25	399	1,599	–	–
Deferred tax liabilities	15	297	684	–	–
		858	2,455	–	–
<b>Current Liabilities</b>					
Due to subsidiaries	16	–	–	2,478	–
Trade payables		12,026	10,006	–	–
Other payables	23	3,979	3,109	269	168
Borrowings	24	3,232	5,488	–	–
Lease liabilities	25	1,490	1,607	–	38
Provision for income tax		–	2	–	–
		20,727	20,212	2,747	206
<b>Total liabilities</b>		<b>21,585</b>	<b>22,667</b>	<b>2,747</b>	<b>206</b>
<b>Total equity and liabilities</b>		<b>54,561</b>	<b>56,250</b>	<b>36,709</b>	<b>34,318</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Attributable to equity holders of the Company →								Attributable to equity holders of the Company		Non-controlling interests	Total
	Share capital	Treasury shares	Merger reserves	Capital redemption reserves	Share options reserve	Capital reserve	Foreign currency translation reserve	Accumulated losses	of the Company	US\$'000		
				US\$'000	US\$'000	US\$'000	US\$'000	US\$'000				
<b>Group</b>												
Balance at 1 January 2023	60,423	(1,656)	(10,150)	6	761	(7,836)	581	(8,522)	33,607	(24)	33,583	
Share-based payments	-	-	-	-	35	-	49	-	84	-	84	
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	14	-	(14)	-	-	-	
Loss for the year	-	-	-	-	-	-	-	(963)	(963)	(4)	(967)	
Other comprehensive income:												
Exchange differences on translating foreign operations	-	-	-	-	-	-	276	-	276	-	276	
Total other comprehensive income/(loss) for the year	-	-	-	-	-	-	276	(963)	(687)	(4)	(691)	
Balance at 31 December 2023	60,423	(1,656)	(10,150)	6	796	(7,822)	906	(9,499)	33,004	(28)	32,976	
Balance at 1 January 2022	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,084)	4,229	47,384	(19)	47,365	
Share-based payments	-	-	-	-	36	-	(1)	49	84	-	84	
De-registration of a subsidiary (Note 12)	-	-	-	-	-	(2,727)	-	2,727	-	-	-	
Loss for the year	-	-	-	-	-	-	-	(15,527)	(15,527)	(5)	(15,532)	
Other comprehensive income:												
Exchange differences on translating foreign operations	-	-	-	-	-	-	1,666	-	1,666	-	1,666	
Total other comprehensive income/(loss) for the year	-	-	-	-	-	-	1,666	(15,527)	(13,861)	(5)	(13,866)	
Balance at 31 December 2022	60,423	(1,656)	(10,150)	6	761	(7,836)	581	(8,522)	33,607	(24)	33,583	

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 US\$'000	2022 US\$'000
<b>Cash Flows from Operating Activities</b>			
Loss before income tax		(1,918)	(14,576)
Adjustments for:			
Depreciation of property, plant and equipment		1,519	1,749
Amortisation of intangible assets		285	278
Depreciation of right-of-use assets		1,550	1,607
(Gain)/Loss on disposal of property, plant and equipment		(4,138)	273
Allowance for inventory obsolescence, net		375	866
(Write-back of)/Allowance for impairment loss on trade receivables		(147)	140
Unrealised exchange loss/(gain)		141	(951)
Interest expense		206	478
Share-based payments		84	36
Gain on lease modifications		–	(125)
Impairment of goodwill	13	–	5,199
Loss on de-registration of a subsidiary relating to foreign exchange	12	–	2,343
Operating cash flow before working capital changes		(2,043)	(2,683)
Changes in working capital:			
Inventories		2,612	2,029
Trade receivables		(892)	6,267
Other receivables and prepayments		(387)	1,354
Trade and other payables		2,610	(5,462)
<b>Cash generated from operating activities</b>		1,900	1,505
Interest paid		(257)	(222)
Income tax paid		(10)	(126)
<b>Net cash generated from operating activities</b>		1,633	1,157
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	10	(724)	(470)
Proceeds from disposal of property, plant and equipment	10	4,420	8
<b>Net cash generated from/(used in) investing activities</b>		3,696	(462)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings	24	19,707	35,801
Repayment of borrowings	24	(21,963)	(36,433)
Principal payment of lease liabilities	25	(1,527)	(1,581)
<b>Net cash used in financing activities</b>		(3,783)	(2,213)
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,546	(1,518)
<b>Cash and cash equivalents at the beginning of the year</b>		9,244	10,771
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		5	(9)
<b>Cash and cash equivalents at the end of the year</b>	20	10,795	9,244

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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”). On 3 November 2023, the Company was delisted on the AIM market of the London Stock Exchange (“AIM”) in the United Kingdom. The registered address of the Company and the principal place of business is at 7 Temasek Boulevard, Level 32, Suntec Tower One, Singapore 038987.

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 12.

The financial statements for the financial year ended 31 December 2023 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”)

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

On 1 January 2023, the Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations (“**SFRS(I) INTs**”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. Other than the below, the adoption of these new amendments SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### Amendments to SFRS(I) 1-1 Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information must not obscure material accounting policy information. The amended SFRS(I) Practice Statement 2 explains and demonstrates the application of the materiality process to accounting policy disclosures. The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term ‘Significant Accounting Policies’ used throughout the financial statements has been replaced with ‘Material Accounting Policies’.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2 Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”) (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:	1 January 2024
<ul style="list-style-type: none"> <li>• SFRS(I) 1-1: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</li> <li>• SFRS(I) 1-1: Presentation of Financial Statements (Non-current Liabilities with Covenants)</li> <li>• SFRS(I) 16: Lease Liability in a Sale and Leaseback</li> <li>• SFRS(I) 1-7: Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements</li> </ul>	
Amendments to:	1 January 2025
<ul style="list-style-type: none"> <li>• SFRS(I) 1-21: the Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</li> </ul>	

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 Material 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 2023 and its comparatives have been prepared in accordance with the Companies Act 1967 (the “Act”) and SFRS(I)s.

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

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”.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (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.

#### 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(I)3.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (b) Consolidation (cont'd)

#### ii. Acquisition of subsidiaries and businesses (cont'd)

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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (c) Investments 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 accumulated 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 2023

## 3 Material 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 23. 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (f) Leases (cont'd)

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

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.

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 it 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (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.

#### *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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (j) Employee Benefits (cont'd)

#### Employee share options (cont'd)

##### – *Equity-settled share options* (cont'd)

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.

##### – *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. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (k) Income Tax (cont'd)

#### *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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (k) Income Tax (cont'd)

#### *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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (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.

#### *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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (n) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined using the first-in, first-out ("FIFO") basis.

The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

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.

The Group's financial assets measured at amortised cost comprise trade receivables (Note 18), other receivables (Note 19) and cash and cash equivalents (Note 20) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

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

#### i. Classification (cont'd)

##### (b) Equity instruments (cont'd)

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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

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

#### iii. Subsequent Measurement (cont'd)

##### (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.

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

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

#### iv. Impairment (cont'd)

General approach – All other financial instruments on which ECL assessment is required (cont'd)

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 2023

## 3 Material 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3 Material Accounting Policies (cont'd)

### (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.

### (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, if any, 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 2023

## 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 made an allowance for inventory obsolescence of US\$375,000 (2022: US\$866,000) (Note 7) for the financial year ended 31 December 2023. No inventories were written off during the year (2022: US\$Nil). The carrying amount of the Group's inventories as at 31 December 2023 was US\$19,882,000 (2022: US\$22,869,000) (Note 17).

#### (ii) Allowance for impairment loss on 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.

The Group has written back the allowance for impairment loss on trade receivables of US\$147,000 (2022: allowance for impairment loss on trade receivables of US\$140,000) and no loss allowance was made on other receivables (2022: US\$Nil) during the financial year ended 31 December 2023. The carrying amount of the Group's trade and other receivables is disclosed in Note 18 and 19. The information about the expected credit losses ("ECLs") on the Group's trade and other receivables is disclosed in Note 18, 19 and 30(b) and separately assessed for recoverability as set out in Note 30(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 30(b).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

#### (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 years ended 31 December 2023 and 2022 (Note 14). The carrying amount of the Group's capitalised development costs as at 31 December 2023 and 2022 was US\$Nil (Note 14).

### (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 2023 was US\$5,651,000 (2022: US\$6,641,000) (Note 10). 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% increase/decrease in the depreciation on property, plant and equipment from management's estimate will increase/decrease the Group's results for the year by approximately US\$152,000 (2022: US\$175,000).

#### (ii) 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 years ended 31 December 2023 and 2022. The carrying amount of property, plant and equipment is disclosed in Note 10.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

#### (iii) Impairment of 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 2023 and 2022 was US\$893,000 (Note 13).

No impairment loss (2022: US\$5,199,000) was recognised for the goodwill arising from acquisition of subsidiaries during the financial year ended 31 December 2023 as the recoverable amount of the respective CGU were in excess of the respective carrying amount.

#### (iv) Allowance for 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.

No allowance for impairment loss on investments in subsidiaries was recognised (2022: US\$7,538,000) during the financial year ended 31 December 2023. The carrying amount of investments in subsidiaries is disclosed in Note 12.

#### (v) 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\$951,000 (2022: income tax expense US\$956,000) (Note 8) for the financial year ended 31 December 2023. The carrying amounts of the Group's tax receivables and provision for income tax were US\$976,000 and US\$Nil (2022: US\$167,000 and US\$2,000), respectively. The carrying amounts of the Group's deferred tax assets and liabilities were US\$625,000 and US\$297,000 (2022: US\$585,000 and US\$684,000) respectively (Note 15) as at 31 December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

#### (vi) 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 2023 was 6.0% (2022: 4.0%). The carrying amount of lease liabilities as at 31 December 2023 was US\$1,889,000 (2022: US\$3,206,000) (Note 25). 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\$9,000 (2022: US\$16,000).

## 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 29 Segment Information.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
		<b>(Restated)</b>
<b>Principal geographical market</b>		
<u>America</u>		
– Sale of goods	37,263	44,821
<u>Europe</u>		
– Sale of goods	18,043	19,437
<u>Asia</u>		
– Sale of goods	2,750	2,374
<u>Rest of the World</u>		
– Sale of goods	6,341	6,137
Total	64,397	72,769
<b>Major product lines</b>		
Sale of goods	64,397	72,769

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5 Revenue (cont'd)

### (b) Contract balances

	Group		
	31 December 2023 US\$'000	2022 US\$'000	1 January 2022 US\$'000
Trade receivables (Note 18)	11,052	10,011	13,772
<b>Contract liabilities</b>			
Customers advances received (Note 23)	389	781	1,085

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	
	2023 US\$'000	2022 US\$'000
<b>Contract liabilities</b>		
As at 1 January	781	1,085
Increase due to cash received	256	1,392
Revenue recognised during the year	(648)	(1,696)
As at 31 December	389	781

## 6 Finance Costs

	Group	
	2023 US\$'000	2022 US\$'000
Interest expense on borrowings	87	306
Interest expense on lease liabilities	119	172
	206	478



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 7 Loss Before Income Tax

	Group	
	2023 US\$'000	2022 US\$'000 (Restated)
This is arrived at after charging/(crediting):		
Cost of inventories recognised as an expense (included in cost of sales)	48,539	58,349
Amortisation of intangible assets	285	278
Depreciation of property, plant and equipment included in:		
– cost of sales	1,212	1,120
– administrative expenses	307	629
Depreciation of right-of-use assets included in:		
– cost of sales	1,264	1,274
– administrative expenses	286	333
Audit fees paid/payable to:		
– Company’s auditors	74	62
– Other auditors – network firms	7	7
– Other auditors – non-network firms	363	393
Non-audit fees paid/payable to:		
– Company’s auditors	–	–
– Other auditors	57	25
(Gain)/Loss on disposal of property, plant and equipment (included in other income/other operating expenses) (Note 10)	(4,138)	273
(Write-back of)/Allowance for impairment loss on trade receivables (included in other income/other operating expenses) (Note 18)	(147)	140
Operating lease expense	75	22
Allowance for inventory obsolescence, net (Note 17)	375	866
Loss on foreign exchange (included in other operating expenses)	172	88
Gain on lease modifications (included in other income)	–	(125)
Impairment of goodwill (Note 13)	–	5,199
Loss on de-registration of a subsidiary relating to foreign exchange (included in other operating expenses) (Note 12)	–	2,343

## 8 Income Tax (Credit)/Expense

	Group	
	2023 US\$'000	2022 US\$'000
Income tax (credit)/expense attributable to the results is made up of:		
Current income tax		
– current year	28	12
– over provision in prior year	(598)	(423)
Deferred tax (Note 15)		
– current year	(129)	1,345
– over provision in prior year	(279)	(138)
Withholding tax		
– current year	27	160
	(951)	956

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8 Income Tax (Credit)/Expense (cont'd)

The income tax (credit)/expense on the loss 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	
	2023 US\$'000	2022 US\$'000
Loss before income tax	(1,918)	(14,576)
Income tax credit calculated at applicable tax rates	(432)	(2,959)
Non-deductible expenses	653	2,050
Non-taxable income	(609)	(713)
Research and development credits	(28)	(150)
Deferred tax on tax losses not recognised	322	644
Utilisation of unrecognised deferred tax assets	(7)	(6)
Derecognition of deferred tax assets arising from tax losses	–	2,491 <sup>(1)</sup>
Over provision of income tax and deferred tax in prior year	(877)	(561)
Withholding tax	27	160
	(951)	956

(1) A subsidiary, Satellite Acquisition Corporation ("SAC") wrote off all of its deferred tax assets recognised in previous years due to the current negative market condition in the United States of America and management has the expectation that in the foreseeable future there would not be sufficient future taxable profits to offset against the unutilised tax losses.

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:

	2023	2022
Singapore	17%	17%
England and Wales	25%	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.

## 9 Loss Per Share

### (a) Basic Loss Per Share

Basic loss per share is calculated by dividing the net loss 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:

	Group	
	2023	2022
Net loss for the year attributable to equity holders of the Company (US\$'000)	(963)	(15,527)
Weighted average number of ordinary shares outstanding for basic loss per share computation ('000)	271,662	271,662
Basic loss per share (US cents)	(0.35)	(5.72)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9 Loss Per Share (cont'd)

### (b) Diluted Loss Per Share

For the purpose of calculating diluted loss 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.

Diluted loss per share is the same as the basis loss per share as at 31 December 2023 and 2022 because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to increase the loss per share.

## 10 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
<b>Group</b>						
<b>2023</b>						
<u>Cost</u>						
Balance at 1 January	2,871	17,968	7,826	40	1,457	30,162
Currency realignment	–	45	1	–	157	203
Additions	–	580	116	–	28	724
Write-off	–	–	(54)	–	(80)	(134)
Disposals	–	(2,047)	–	–	(31)	(2,078)
Balance at 31 December	2,871	16,546	7,889	40	1,531	28,877
<u>Accumulated depreciation</u>						
Balance at 1 January	970	13,793	7,385	40	1,333	23,521
Currency realignment	7	7	2	–	100	116
Depreciation charge	30	1,214	212	–	63	1,519
Write-off	–	–	(54)	–	(80)	(134)
Disposals	–	(1,796)	–	–	–	(1,796)
Balance at 31 December	1,007	13,218	7,545	40	1,416	23,226
<u>Net book value</u>						
Balance at 31 December	1,864	3,328	344	–	115	5,651
<b>2022</b>						
<u>Cost</u>						
Balance at 1 January	2,871	17,907	7,813	40	1,438	30,069
Currency realignment	–	96	(3)	–	8	101
Additions	–	429	19	–	22	470
Write-off	–	(183)	(2)	–	–	(185)
Disposals	–	(281)	(1)	–	(11)	(293)
Balance at 31 December	2,871	17,968	7,826	40	1,457	30,162
<u>Accumulated depreciation</u>						
Balance at 1 January	960	12,523	7,244	40	1,176	21,943
Currency realignment	(6)	15	8	–	9	26
Depreciation charge	16	1,438	136	–	159	1,749
Write-off	–	(183)	(2)	–	–	(185)
Disposals	–	–	(1)	–	(11)	(12)
Balance at 31 December	970	13,793	7,385	40	1,333	23,521
<u>Net book value</u>						
Balance at 31 December	1,901	4,175	441	–	124	6,641

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 10 Property, Plant and Equipment (cont'd)

The Group recognised a write-off of certain machineries and equipment, furniture, fittings and equipment and renovations with zero net book value as at 31 December 2023 and 2022.

During the financial year, the Group disposed certain machinery and equipment relating to the semi moulded compound manufacturing activities of SAC to an independent third-party, for a consideration of US\$4,750,000. A gain of US\$4,138,000 (Note 7) on disposal of property, plant and equipment was recorded for the financial year ended 31 December 2023.

The sum of US\$4,420,000, as part of the proceeds from the sale, has been received by the Group during the financial year. The remaining sum of the sale proceeds was held in escrow subject to SAC renewing its remaining lease at the end of 2024. Subsequent to the year end, the escrow requirement was waived following a renegotiation of the terms of the lease arrangement and these funds have been remitted to the Group.

	<b>Furniture, fittings &amp; equipment US\$'000</b>	<b>Renovations US\$'000</b>	<b>Total US\$'000</b>
<b>Company</b>			
<b>2023</b>			
<u>Cost</u>			
Balance at 1 January	211	80	291
Additions	6	-	6
Write-off	(39)	(80)	(119)
Balance at 31 December	178	-	178
<u>Accumulated depreciation</u>			
Balance at 1 January	211	80	291
Depreciation charge	1	-	1
Write-off	(39)	(80)	(119)
Balance at 31 December	173	-	173
<u>Net book value</u>			
Balance at 31 December	5	-	5
<b>2022</b>			
<u>Cost</u>			
Balance at 1 January and 31 December	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	192	79	271
Depreciation charge	19	1	20
Balance at 31 December	211	80	291
<u>Net book value</u>			
Balance at 31 December	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11 Right-Of-Use Assets

	Office premises & warehouses US\$'000	Machinery & equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<b>Group</b>				
<b>2023</b>				
At 1 January	2,814	227	54	3,095
Additions	65	21	32	118
Depreciation charge	(1,374)	(140)	(36)	(1,550)
Currency realignment	135	(2)	-	133
At 31 December	1,640	106	50	1,796
<b>2022</b>				
At 1 January	4,065	278	53	4,396
Additions	257	93	33	383
Depreciation charge	(1,427)	(148)	(32)	(1,607)
Disposals	(1)	-	-	(1)
Modifications to lease terms	156	-	-	156
Currency realignment	(236)	4	-	(232)
At 31 December	2,814	227	54	3,095

	Office premises & warehouses US\$'000	Total US\$'000
<b>Company</b>		
<b>2023</b>		
At 1 January	41	41
Depreciation charge	(41)	(41)
At 31 December	-	-
<b>2022</b>		
At 1 January	39	39
Additions	129	129
Depreciation charge	(127)	(127)
At 31 December	41	41

Right-of-use assets acquired under leasing arrangements are disclosed in Note 25.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12 Investments in Subsidiaries

	Company	
	2023 US\$'000	2022 US\$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	797	713
Currency realignment	131	130
Less: Allowance for impairment loss	(23,552)	(23,552)
	17,909	17,824
Movement in the allowance for impairment loss are as follows:		
At 1 January	23,552	16,014
Allowance for impairment loss recognised during the year	–	7,538
At 31 December	23,552	23,552

### Allowance for impairment loss

#### (i) Global Invacom Manufacturing Pte. Ltd. (“GIMPL”)

As at 31 December 2023, an allowance for impairment loss of US\$8,648,000 (2022: 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.

#### (ii) Global Invacom Holdings Limited and its subsidiaries (“GIHL Group”)

As at 31 December 2023, an allowance for impairment loss of US\$14,904,000 (2022: US\$14,904,000) 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	
		2023 %	2022 %	2023 US\$'000	2022 US\$'000
<b><u>Held by the Company</u></b>					
Global Invacom Holdings Limited <sup>(1)</sup> England and Wales	Investment holding England and Wales	100	100	30,500	30,500
Global Invacom Sdn. Bhd. <sup>(2)</sup> Malaysia	Trading and manufacturing Malaysia	100	100	33	33
Global Invacom Manufacturing Pte. Ltd. <sup>(3)</sup> Singapore	Trading and investment holding Singapore	100	100	10,000	10,000
				40,533	40,533

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12 Investments in Subsidiaries (cont'd)

Details of the subsidiaries as at the end of the financial year are as follows: (cont'd)

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Group	
		2023 %	2022 %
<b><i>Held by Subsidiary</i></b>			
Global Invacom (Shanghai) Co., Ltd <sup>(7)(14)</sup> PRC	Provision of supply chain services PRC	100	100
Global Invacom Limited <sup>(1)(8)</sup> England and Wales	Design of products for reception and transmission of satellite signals England and Wales	100	100
Global Skyware Limited <sup>(1)(8)</sup> England and Wales	Design and manufacture of satellite antennas and VSAT England and Wales	100	100
Invacom Holdings Limited <sup>(1)(9)</sup> England and Wales	Dormant England and Wales	100	100
Invacom Limited <sup>(1)(10)</sup> England and Wales	Dormant England and Wales	100	100
Invacom Systems Limited <sup>(1)(10)</sup> England and Wales	Dormant England and Wales	100	100
The Waveguide Solution Ltd <sup>(1)(8)</sup> England and Wales	Design and manufacture of microwave waveguide components and applications England and Wales	100	100
Global Invacom Manufacturing (UK) Limited <sup>(1)(8)</sup> England and Wales	Manufacture and supply of antennas and related products England and Wales	100	100
OnePath Networks Limited <sup>(6)(8)</sup> Israel	Design and manufacture of product in radio frequency over fiber technology Israel	100	100
OnePath Networks Inc. <sup>(6)(11)</sup> United States of America	Sales and marketing United States of America	100	100
Satellite Acquisition Corporation <sup>(4)(8)</sup> United States of America	Investment holding United States of America	100	100



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12 Investments in Subsidiaries (cont'd)

Details of the subsidiaries as at the end of the financial year are as follows: (cont'd)

Name of subsidiaries and country of incorporation	Principal activities and place of business	Percentage of equity held by the Group	
		2023 %	2022 %
<b>Held by Subsidiary</b> (cont'd)			
Raven Antenna Systems, Inc. <sup>(4)(12)</sup> United States of America	Manufacture and distribution of antennas and related products United States of America	100	100
ASC Signal (Shenzhen) Consulting Services Co Limited <sup>(4)(13)</sup> PRC	Provision of technical support and procurement of electronic components and parts PRC	100	100
PT Global Invacom Indonesia <sup>(5)(15)</sup> 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 reviewed in accordance with SFRS(I) 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	
		2023	2022	2023	2022	2023	2022
		%	%	US\$'000	US\$'000	US\$'000	US\$'000
PT Global Invacom Indonesia ("GI2")	Indonesia	2	2	(4)	(5)	(28)	(24)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12 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.

	GI <sup>2</sup>	
	2023 US\$'000	2022 US\$'000
<u>Summarised statement of financial position</u>		
Current assets	428	399
Non-current assets	–	–
Current liabilities	(1,141)	(905)
Non-current liabilities	–	–
Equity attributable to owners of the Company	(713)	(506)
<u>Summarised statement of comprehensive income</u>		
Revenue	1,474	926
Loss for the year	(207)	(242)
<u>Summarised statement of cash flows</u>		
Net cash inflow/(outflow) from operating activities	35	(22)
Net cash inflow from investing activities	–	–
Net cash inflow from financing activities	–	–
Net cash inflow/(outflow)	35	(22)

### (c) Deregistration of a subsidiary

In the previous financial year, a wholly-owned subsidiary of the Group, Global Invacom Manufacturing (Shanghai) Co., Ltd, was deregistered.

Accordingly, the Group de-recognised the foreign currency translation reserve amounting to US\$2,343,000 and reclassified to profit or loss upon disposal (Note 7).

The statutory reserve fund amounting to US\$2,727,000 was reclassified to retained earnings upon disposal.

## 13 Goodwill

	Group	
	2023 US\$'000	2022 US\$'000
<u>Cost</u>		
Balance at the beginning and end of the year	9,352	9,352
<u>Allowance for impairment loss</u>		
Balance at the beginning of the year	8,459	3,260
Impairment loss recognised during the year	–	5,199
Balance at the end of the year	8,459	8,459
Net carrying amount	893	893

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13 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	
	2023 US\$'000	2022 US\$'000
VSAT		
– OnePath Networks Limited ("OPN") – Israel	893	893

#### 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:

	2023 OPN	2022 OPN
(i) Estimated discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGUs	21.0%	16.3%
(ii) Growth rates used to calculate the terminal value based on industry growth forecasts	5.0%	5.6%
(iii) Gross margin*	68.7% to 69.5%	67.2% to 69.5%

\* excluding labour and production overheads

These assumptions were used for the analysis of the CGU. 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 CGU, no further impairment on goodwill was required during the financial years ended 31 December 2023 and 2022.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13 Goodwill (cont'd)

### (b) Impairment losses recognised in the period

In the previous financial year, the Group recorded an impairment charge of US\$5,199,000 in relation to goodwill attributable to Satellite Acquisition Corporation ("SAC"). The recoverable amount of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections, budgeted gross margins, and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	<b>2022 SAC</b>
(i) Estimated discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGUs	19.5%
(ii) Growth rates used to calculate the terminal value based on industry growth forecasts	3.3%
(iii) Gross margin*	28.0%

\* excluding labour and production overheads

The main factor contributing to the full impairment of the cash-generating unit was due to the current negative market conditions in the US and operational performance of the US business. No write-down of the carrying amounts of other assets in the cash-generating unit was necessary.

The impairment loss has been included in the 'Impairment of goodwill' line item in the consolidated statement of comprehensive income.

## 14 Intangible Assets

	<b>Trading name US\$'000</b>	<b>Intellectual property rights US\$'000</b>	<b>Capitalised development costs US\$'000</b>	<b>Total US\$'000</b>
<b>Group</b>				
<b>2023</b>				
<u>Cost</u>				
Balance at 1 January and 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	1,257	4,834	6,107
Amortisation charge	–	285	–	285
Currency realignment	–	(5)	–	(5)
Balance at 31 December	16	1,537	4,834	6,387
<u>Net book value</u>				
Balance at 31 December	–	1,137	–	1,137
<b>2022</b>				
<u>Cost</u>				
Balance at 1 January and 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	1,043	4,767	5,826
Amortisation charge	–	211	67	278
Currency realignment	–	3	–	3
Balance at 31 December	16	1,257	4,834	6,107
<u>Net book value</u>				
Balance at 31 December	–	1,417	–	1,417

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15 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	
	2023 US\$'000	2022 US\$'000
Deferred income tax assets to be recovered after 1 year	625	585
Deferred income tax liabilities to be settled after 1 year	(297)	(684)
The movements in the deferred income tax account are as follows:		
Balance at the beginning of the year	(99)	1,134
Credit/(Charge) for the year (Note 8)	129	(1,345)
Timing differences	30	19
Additional tax losses capitalised	249	175
Other movements	–	(56)
Currency realignment	19	(26)
Balance at the end of the year	328	(99)

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 2022	(646)	1,780	1,134
Charge for the year (Note 8)	–	(1,345)	(1,345)
Timing differences	31	(12)	19
Additional tax losses capitalised	–	175	175
Other movements	(42)	(14)	(56)
Currency realignment	(27)	1	(26)
Balance at 31 December 2022	(684)	585	(99)
Credit/(Charge) for the year (Note 8)	476	(347)	129
Timing differences	57	(27)	30
Additional tax losses capitalised	(269)	518	249
Other movements	103	(103)	–
Currency realignment	20	(1)	19
Balance at 31 December 2023	(297)	625	328

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15 Deferred Tax Assets/(Liabilities) (cont'd)

### *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 2023, the Group has unutilised tax losses of approximately US\$13,468,000 (2022: US\$12,145,000) 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\$2,694,000 (2022: US\$2,379,000).

The unutilised tax losses of Singapore and England and Wales entities of the Group have no expiry date, while the unutilised tax losses of Malaysia entity of the Group expire 10 years from the year the tax losses arose. Unutilised tax losses of entities of the Group from other jurisdictions are not material.

## 16 Due from/(to) Subsidiaries

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Due from subsidiaries	3,594	2,499
Due to subsidiaries	(2,478)	–

As at 31 December 2023 and 2022, the amounts due from/(to) subsidiaries were non-trade in nature, unsecured, interest-free and repayable on demand.

The Company entered into an offsetting agreement with a subsidiary which the non-trade amount due to the subsidiary was to offset against the non-trade amount due from the subsidiary. The Company presents the amount due from/(to) the subsidiary that are subject to this agreement on a net basis in the statement of financial position.

Management has evaluated impairment assessment on the amounts due from subsidiaries in Note 30(b).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16 Due from/(to) Subsidiaries (cont'd)

Financial assets and financial liabilities that are offset in the Company's statement of financial position as at 31 December 2023 and 2022 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
<b>2023</b>			
<b>Types of financial assets</b>			
Amounts due from subsidiaries			
– Non-trade	5,571	(1,977)	3,594
<b>Types of financial liabilities</b>			
Amounts due to subsidiaries			
– Non-trade	(4,455)	1,977	(2,478)
<b>2022</b>			
<b>Types of financial assets</b>			
Amounts due from subsidiaries			
– Non-trade	2,499	–	2,499

## 17 Inventories

	Group	
	2023 US\$'000	2022 US\$'000
Finished products	3,525	6,571
Work-in-progress	1,350	1,862
Raw materials	15,007	14,436
	19,882	22,869
Analysis of allowance for inventory obsolescence:		
Balance at the beginning of the year	1,192	327
Currency realignment	(1)	(1)
Allowance for inventory obsolescence, net	375	866
Balance at the end of the year	1,566	1,192

## 18 Trade Receivables

	Group	
	2023 US\$'000	2022 US\$'000
Trade receivables	11,427	10,533
Less: Loss allowance	(375)	(522)
	11,052	10,011



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 18 Trade Receivables (cont'd)

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 48.7% (2022: 48.6%) 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\$2.8 million (2022: US\$3.0 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.

	Trade receivables past due (days)			Total US\$'000
	Current US\$'000	0 – 60 days US\$'000	> 60 days US\$'000	
<b>Group</b>				
<b>31 December 2023</b>				
Expected credit loss rate	0.0%	5.0%	48.7%	
Trade receivables – gross carrying amount at default	10,079	631	717	11,427
Loss allowance – lifetime ECL	– <sup>(1)</sup>	(26) <sup>(2)</sup>	(349) <sup>(3)</sup>	(375)
Total allowance for impairment losses	–	(26)	(349)	(375)
				<u>11,052</u>
<b>31 December 2022</b>				
Expected credit loss rate	0.0%	5.0%	48.6%	
Trade receivables – gross carrying amount at default	8,060	1,678	795	10,533
Loss allowance – lifetime ECL	– <sup>(1)</sup>	(47) <sup>(2)</sup>	(262) <sup>(3)</sup>	(309)
Loss allowance – credit-impaired	–	–	(213)	(213)
Total allowance for impairment losses	–	(47)	(475)	(522)
				<u>10,011</u>

(1) Considered immaterial.

(2) Loss allowance – lifetime ECL of US\$26,000 (2022: US\$47,000) is computed at 5.0% (2022: 5.0%) of gross trade receivables of US\$519,000 (2022: US\$934,000). The Group has a specialist credit insurance policy in place to mitigate losses, by default of payment, on key client balances of US\$112,000 (2022: US\$744,000) for trade receivables 0 to 60 days past due.

(3) Loss allowance – lifetime ECL of US\$349,000 (2022: US\$262,000) is computed at 48.7% (2022: 48.6%) of gross trade receivables of US\$717,000 (2022: US\$538,000) as US\$Nil (2022: US\$213,000) pertains to specific debtors for which specific loss allowance of US\$Nil (2022: US\$213,000) 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\$Nil (2022: US\$44,000) for trade receivables past due over 60 days.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 18 Trade Receivables (cont'd)

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

	Group	
	Lifetime ECL 2023 US\$'000	Lifetime ECL 2022 US\$'000
At 1 January	522	4,231
– (Write-back of)/Allowance for impairment loss on trade receivables	(147)	140
– Written off	–	(3,849)
	(147)	(3,709)
At 31 December	375	522

## 19 Other Receivables and Prepayments

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<u>Other receivables</u>				
Deposits	196	180	22	50
Advanced payments	22	8	–	–
GST/VAT receivables	480	250	8	7
Other debtors	58	156	–	–
Loans to subsidiaries (a)	–	–	14,853	13,709
	756	594	14,883	13,766
Prepaid expenses	998	734	65	20
	1,754	1,328	14,948	13,786
Presented as:				
Non-current	54	54	–	–
Current	1,700	1,274	14,948	13,786
	1,754	1,328	14,948	13,786
<u>Loans to subsidiaries</u>				
Current	–	–	14,853	13,709

### (a) 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 4.00% 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 2023, total repayment of loan was US\$3,500,000 (2022: US\$3,500,000). Interest accrued from the date of drawdown to the reporting date is US\$1,141,000 (2022: US\$1,049,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 19 Other Receivables and Prepayments (cont'd)

### (a) 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. The agreement has lapsed and the loan is now repayable upon the notice from the borrower. Interest accrued from the date of drawdown to the reporting date is US\$3,938,000 (2022: US\$2,886,000).

#### (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.

## 20 Cash and Cash Equivalents

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

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cash and bank balances	10,795	9,244	253	168

## 21 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
<u>Issued and fully paid</u>				
Balance at 31 December 2022 and 31 December 2023	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.

### Treasury shares

	Group and Company			
	2023		2022	
	Number of treasury shares '000	Treasury shares US\$'000	Number of treasury shares '000	Treasury shares US\$'000
Balance at the beginning and end of the year	10,740	1,656	10,740	1,656

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 21 Share Capital and Treasury Shares (cont'd)

### Treasury shares (cont'd)

The Group held 10,740,000 treasury shares at 31 December 2023 (2022: 10,740,000) in the Company.

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

The shares repurchased in the previous financial years are being held as treasury shares in accordance with Sections 76C and 76E of the Companies Act 1967.

## 22 Reserves

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Merger reserves	(10,150)	(10,150)	–	–
Capital redemption reserves	6	6	–	–
Share options reserve (Note 26(b))	796	761	797	713
Capital reserve	(7,822)	(7,836)	(4,481)	(4,481)
Foreign currency translation reserve	906	581	(2,506)	(2,506)
Accumulated losses	(9,499)	(8,522)	(32,432)	(32,198)
	(25,763)	(25,160)	(38,622)	(38,472)

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 in GIL whereby the entire issued share capital of GIL was transferred to GIHL. The consideration for the Group's restructuring involved 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 was considered to be outside the scope of SFRS(I) 3 and the Group 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 2023

## 22 Reserves (cont'd)

### Capital reserve

Capital reserve comprise the following items:

		Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Statutory reserve fund	(i)	14	–	–	–
Sale of treasury shares	(ii)	(416)	(416)	(416)	(416)
Issuance of treasury shares	(iii)	(4,065)	(4,065)	(4,065)	(4,065)
Other reserve	(iv)	(3,355)	(3,355)	–	–
		<u>(7,822)</u>	<u>(7,836)</u>	<u>(4,481)</u>	<u>(4,481)</u>

- (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.
- (iv) On 15 June 2012, there was a realignment of reserves within Global Invacom Group Limited arising from the reverse takeover exercise which resulted in the creation of other reserves amounting to US\$3,355,000.

### 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 2023

## 23 Other Payables

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Accrued operating expenses	2,843	1,574	199	136
Provision for warranty (a)	170	148	–	–
Customers advances received	389	781	–	–
GST/VAT payables	158	84	–	–
Other creditors	581	694	70	32
	<u>4,141</u>	<u>3,281</u>	<u>269</u>	<u>168</u>
Presented as:				
Non-current	162	172	–	–
Current	<u>3,979</u>	<u>3,109</u>	<u>269</u>	<u>168</u>
	<u>4,141</u>	<u>3,281</u>	<u>269</u>	<u>168</u>
<u>Provision for warranty</u>				
Balance at 1 January	148	235	–	–
Claimed during the year	(30)	(68)	–	–
Arose during the year (a)	52	8	–	–
Changes in estimates related to previously issued warranties	–	(27)	–	–
Balance at 31 December	<u>170</u>	<u>148</u>	<u>–</u>	<u>–</u>

- (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\$52,000 (2022: US\$8,000).

## 24 Borrowings

	Group	
	2023 US\$'000	2022 US\$'000
Borrowings – current	<u>3,232</u>	<u>5,488</u>

- (a) The borrowings as at 31 December 2023 were secured over the assets of the subsidiaries and corporate guarantees (Note 28) provided by the Company and its subsidiaries. As at 31 December 2023, the tenure of the borrowings was between 1 to 12 months (2022: 1 to 12 months). Interest was charged at 7.9% to 10.0% (2022: 2.8% to 9.0%) per annum during the financial year.
- (b) During the current financial year, one of the subsidiaries of the Group has technically breached the financial covenants of bank loan. Global Invacom Limited did not fulfil the requirement to maintain the minimum interest cover and maximum leverage. As such, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount in the event of breach of covenant.

The bank had given a waiver and had not requested for immediate repayment of the outstanding loan amount as at the date when these financial statements are authorised for issue. Management commenced renegotiation of the loan agreements' term in February 2024. As of the date of the financial statements are authorised for issue, the renegotiation is still in progress.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 24 Borrowings (cont'd)

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

	Cash flows				31 December US\$'000
	1 January US\$'000	Proceeds US\$'000	Repayments US\$'000	Other changes US\$'000	
<b>2023</b>					
Borrowings – current	5,488	19,707	(21,963)	–	3,232
Lease liabilities (Note 25)	3,206	–	(1,527)	210	1,889
	8,694	19,707	(23,490)	210	5,121
<b>2022</b>					
Borrowings – current	6,120	35,801	(36,433)	–	5,488
Lease liabilities (Note 25)	4,715	–	(1,581)	72	3,206
	10,835	35,801	(38,014)	72	8,694

## 25 Lease Liabilities

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Presented as:				
– Non-current	399	1,599	–	–
– Current	1,490	1,607	–	38
	1,889	3,206	–	38
	Office premises & warehouses US\$'000	Machinery & equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<b>Group</b>				
<b>2023</b>				
At 1 January	2,874	276	56	3,206
Additions	65	21	32	118
Interest expense (Note 6)	112	4	3	119
Lease payments				
– Principal portion	(1,355)	(143)	(29)	(1,527)
– Interest portion	(112)	(4)	(3)	(119)
Currency realignment	98	(3)	(3)	92
At 31 December	1,682	151	56	1,889
<b>2022</b>				
At 1 January	4,357	327	31	4,715
Additions	209	100	56	365
Interest expense (Note 6)	155	15	2	172
Modifications to lease terms	(31)	–	–	(31)
Lease payments				
– Principal portion	(1,408)	(142)	(31)	(1,581)
– Interest portion	(155)	(15)	(2)	(172)
Currency realignment	(253)	(9)	–	(262)
At 31 December	2,874	276	56	3,206



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 25 Lease Liabilities (cont'd)

	Office premises & warehouses US\$'000	Total US\$'000
<b>Company</b>		
<b>2023</b>		
At 1 January	38	38
Interest expense	1	1
Lease payments		
– Principal portion	(39)	(39)
– Interest portion	(1)	(1)
Currency realignment	1	1
At 31 December	–	–
<b>2022</b>		
At 1 January	38	38
Additions	130	130
Interest expense	3	3
Lease payments		
– Principal portion	(127)	(127)
– Interest portion	(3)	(3)
Currency realignment	(3)	(3)
At 31 December	38	38

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

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
<b>Contractual undiscounted cash flows</b>				
– Less than 1 year	1,600	1,712	–	38
– Between 1 to 5 years	539	1,705	–	–
	2,139	3,417	–	38
Less: Future interest charges	(250)	(211)	–	–
Present value of lease liabilities	1,889	3,206	–	38

The Group leases factory buildings, office premises and office equipment with only fixed payments over the lease terms. The Group 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 2023, the interest rate implicit in the leases was 6.0% (2022: 4.0%).

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented in Note 24.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 26 Employee Benefits

### (a) Staff Costs

	Group	
	2023 US\$'000	2022 US\$'000
Salaries, bonuses and related costs (including executive directors)	16,322	15,227
Defined contribution plans	368	401
Termination benefits	23	358
Share-based payments	84	36
	16,797	16,022

### (b) Employee Share Options

Pursuant to a resolution passed in the Extraordinary General Meeting held on 17 September 2013, 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"). US\$84,000 (2022: US\$36,000) was included in the administrative expenses for the year ended 31 December 2023 with a corresponding credit to the share option reserve (Note 22), and where it relates to key management, has been included in their remuneration disclosed in Note 26(a) above.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 26 Employee Benefits (cont'd)

### (b) Employee Share Options (cont'd)

#### (i) 2013 Scheme (cont'd)

At the end of the financial year, the details of the options granted pursuant to the 2013 Scheme are as follows:

1.1.2023	Granted	Exercised/ (Lapsed)	31.12.2023	Exercise price	Exercise period
322,000	–	(322,000)	–	S\$0.170	7 July 2016 to 6 July 2023
322,000	–	(322,000)	–	S\$0.170	7 July 2017 to 6 July 2023
1,100,000	–	–	1,100,000	S\$0.311	22 June 2016 to 21 June 2025
1,100,000	–	–	1,100,000	S\$0.311	22 June 2017 to 21 June 2025
975,000	–	–	975,000	S\$0.117	9 March 2018 to 8 March 2026
975,000	–	–	975,000	S\$0.117	9 March 2019 to 8 March 2026
4,900,000	–	(800,000)	4,100,000	S\$0.070	22 August 2023 to 21 August 2032
4,900,000	–	(800,000)	4,100,000	S\$0.070	22 August 2024 to 21 August 2032
–	900,000	–	900,000	S\$0.050	2 March 2024 to 1 March 2033
–	900,000	–	900,000	S\$0.050	2 March 2025 to 1 March 2033
<b>14,594,000</b>	<b>1,800,000</b>	<b>(2,244,000)</b>	<b>14,150,000</b>		

1.1.2022	Granted	Exercised/ (Lapsed)	31.12.2022	Exercise price	Exercise period
1,267,000	–	(945,000)	322,000	S\$0.170	7 July 2016 to 6 July 2023
1,267,000	–	(945,000)	322,000	S\$0.170	7 July 2017 to 6 July 2023
2,045,000	–	(945,000)	1,100,000	S\$0.311	22 June 2016 to 21 June 2025
2,045,000	–	(945,000)	1,100,000	S\$0.311	22 June 2017 to 21 June 2025
975,000	–	–	975,000	S\$0.117	9 March 2018 to 8 March 2026
975,000	–	–	975,000	S\$0.117	9 March 2019 to 8 March 2026
–	4,900,000	–	4,900,000	S\$0.070	22 August 2023 to 21 August 2032
–	4,900,000	–	4,900,000	S\$0.070	22 August 2024 to 21 August 2032
<b>8,574,000</b>	<b>9,800,000</b>	<b>(3,780,000)</b>	<b>14,594,000</b>		

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 26 Employee Benefits (cont'd)

### (b) Employee Share Options (cont'd)

#### (i) 2013 Scheme (cont'd)

	<b>Outstanding options for the year ended 31 December 2023</b>			
	22 June 2015	9 March 2016	22 August 2022	2 March 2023
Grant date				
Vesting period (years)	1 – 2	2 – 3	1 – 2	1 – 2
Grant date share price (S\$)	0.311	0.117	0.070	0.050
Exercise price (S\$)	0.311	0.120	0.070	0.050
Expected volatility	43.00%	51.38%	65.05%	66.37%
Option life (years)	2.0	5.0	5.6	5.4
Expected dividend yield	1.60%	4.38%	0.00%	0.00%
Risk-free interest rate	1.05%	1.72%	2.68%	3.44%

The following table lists the movements in the weighted average values as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Number</b>	<b>Weighted average exercise price</b>	<b>Number</b>	<b>Weighted average exercise price</b>
Balance at the beginning of the year	14,594,000	S\$0.117	8,574,000	S\$0.226
Granted during the year	1,800,000	S\$0.050	9,800,000	S\$0.070
Lapsed during the year	(2,244,000)	S\$0.099	(3,780,000)	S\$0.241
Balance at the end of the year	14,150,000	S\$0.112	14,594,000	S\$0.117
Weighted average remaining contractual life in years	6.7 years		7.3 years	

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 26 Employee Benefits (cont'd)

### (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. 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.

No share awards were granted during the financial years ended 31 December 2023 and 2022. As at the end of the financial year, the details of share awards granted are as follows:

1.1.2023	Granted	Exercised/(Lapsed)	31.12.2023
30,000	–	–	30,000
1.1.2022	Granted	Exercised/(Lapsed)	31.12.2022
30,000	–	–	30,000

## 27 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 27 Related Party Transactions (cont'd)

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 personnel*

	Group	
	2023 US\$'000	2022 US\$'000
Salaries, bonuses and related costs	1,086	1,323
Directors' fees	216	213
Defined contribution plans	113	148
Compensation for loss of office	–	228
Share-based payments	28	10
	1,443	1,922
Comprise amounts paid/payable to:		
– Directors of the Company	559	1,061
– Key management personnel	884	861
	1,443	1,922

## 28 Financial Guarantee

As disclosed in Note 24, the Company and its subsidiaries have provided corporate guarantees of US\$15,318,000 (2022: US\$15,349,000) to banks for facilities and loans granted to the subsidiaries of the Group. The borrowings outstanding were approximately US\$3,232,000 as at 31 December 2023 (2022: US\$5,488,000).

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.

## 29 Segment Information

For the previous financial year ended 31 December 2022, the business of the Group was organised into Satellite Communications and Contract Manufacturing segments.

With the completion of the deregistration of its wholly-owned subsidiary, Global Invacom Manufacturing (Shanghai) Co Ltd, the Group is re-organised into the following main business segments:

- Very Small Aperture Terminal (“VSAT”); and
- Non-VSAT

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29 Segment Information (cont'd)

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

	VSAT US\$'000	Non-VSAT US\$'000	Group US\$'000
<b>2023</b>			
Revenue	21,299	43,098	64,397
Operating loss	(816)	(896)	(1,712)
Finance costs			(206)
Income tax credit			951
<b>Loss for the year</b>			(967)
Amortisation of intangible assets	238	47	285
Depreciation of property, plant and equipment	557	962	1,519
Depreciation of right-of-use assets	495	1,055	1,550
Purchase of property, plant and equipment	158	566	724
Write-back of impairment loss on trade receivables	–	(147)	(147)
Allowance for inventory obsolescence, net	71	304	375
<b>Assets and liabilities</b>			
Segment assets	18,780	33,827	52,607
<u>Unallocated assets</u>			
– Non-current assets			5
– Other receivables			95
– Deferred tax assets			625
– Cash and cash equivalents			253
– Tax receivables			976
Total assets			54,561
Segment liabilities	5,365	12,422	17,787
<u>Unallocated liabilities</u>			
– Other payables			269
– Deferred tax liabilities			297
– Borrowings			3,232
Total liabilities			21,585



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29 Segment Information (cont'd)

### (a) Reportable Operating Segments (cont'd)

	VSAT US\$'000	Non-VSAT US\$'000	Group US\$'000
<b>2022</b>			
Revenue	24,639	48,130	72,769
Operating loss	(1,941)	(12,157)	(14,098)
Finance costs			(478)
Income tax expense			(956)
<b>Loss for the year</b>			<b>(15,532)</b>
Amortisation of intangible assets	230	48	278
Depreciation of property, plant and equipment	606	1,143	1,749
Depreciation of right-of-use assets	513	1,094	1,607
Purchase of property, plant and equipment	227	243	470
Impairment of goodwill	–	5,199	5,199
Allowance for impairment loss on trade receivables	–	140	140
Gain on lease modifications	(2)	(123)	(125)
Allowance for inventory obsolescence, net	217	649	866
Loss on de-registration of a subsidiary relating to foreign exchange	–	2,343	2,343
<b>Assets and liabilities</b>			
Segment assets	21,260	33,835	55,095
<u>Unallocated assets</u>			
– Other receivables			85
– Deferred tax assets			585
– Cash and cash equivalents			168
– Tax receivables			167
– Right-of-use assets			150
Total assets			<b>56,250</b>
Segment liabilities	5,470	10,777	16,247
<u>Unallocated liabilities</u>			
– Other payables			208
– Provision for income tax			2
– Deferred tax liabilities			684
– Borrowings			5,488
– Lease liabilities			38
Total liabilities			<b>22,667</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29 Segment Information (cont'd)

### (b) Geographical Information

Revenue and non-current assets (exclude deferred tax 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
<b>2023</b>					
Total revenue from external customers	37,263	18,043	2,750	6,341	64,397
Non-current assets	2,936	4,327	1,088	1,180	9,531
<b>2022 (Restated)</b>					
Total revenue from external customers	44,821	19,437	2,374	6,137	72,769
Non-current assets	4,734	5,891	1,330	145	12,100

### (c) Information about Major Customers

Included in revenue arising from the segments are sales of approximately US\$35,346,000 (2022: US\$46,312,000) which are sales to the Group's 5 (2022: 5) largest customers (of which the largest single customer accounts for 19.8% (2022: 25.8%) of total revenue).

## 30 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (a) Market Risk (cont'd)

#### (i) Currency risk (cont'd)

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
<b>Group</b>								
<b>2023</b>								
<u>Financial assets</u>								
Cash and cash equivalents	8,252	156	38	1,691	152	20	486	10,795
Trade receivables	7,313	–	–	3,075	9	–	655	11,052
Other receivables (excluding advanced payments and GST/VAT receivables)	184	23	19	20	8	–	–	254
	15,749	179	57	4,786	169	20	1,141	22,101
<u>Financial liabilities</u>								
Trade and other payables (excluding provision for warranty, customers advances received and GST/VAT payables)	(12,511)	(280)	(168)	(1,849)	(14)	(34)	(594)	(15,450)
Borrowings	(3,232)	–	–	–	–	–	–	(3,232)
Lease liabilities	(1,282)	–	(10)	(583)	(14)	–	–	(1,889)
	(17,025)	(280)	(178)	(2,432)	(28)	(34)	(594)	(20,571)
<b>Net financial (liabilities)/assets</b>	<b>(1,276)</b>	<b>(101)</b>	<b>(121)</b>	<b>2,354</b>	<b>141</b>	<b>(14)</b>	<b>547</b>	<b>1,530</b>
Less:								
Net financial assets denominated in the Group's entities functional currency	(888)	–	–	(1,517)	(141)	–	–	(2,546)
<b>Currency exposure</b>	<b>(2,164)</b>	<b>(101)</b>	<b>(121)</b>	<b>837</b>	<b>–</b>	<b>(14)</b>	<b>547</b>	<b>(1,016)</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (a) Market Risk (cont'd)

#### (i) Currency risk (cont'd)

The Group's currency exposure based on the information provided to key management is as follows: (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
<b>Group</b>								
<b>2022</b>								
<u>Financial assets</u>								
Cash and cash equivalents	7,574	143	86	710	410	5	316	9,244
Trade receivables	7,995	–	–	1,842	1	–	173	10,011
Other receivables (excluding advanced payments and GST/VAT receivables)	227	54	17	30	8	–	–	336
	15,796	197	103	2,582	419	5	489	19,591
<u>Financial liabilities</u>								
Trade and other payables (excluding provision for warranty, customers advances received and GST/VAT payables)	(10,386)	(183)	(198)	(1,392)	(22)	(53)	(40)	(12,274)
Borrowings	(5,488)	–	–	–	–	–	–	(5,488)
Lease liabilities	(2,325)	(38)	(88)	(712)	(43)	–	–	(3,206)
	(18,199)	(221)	(286)	(2,104)	(65)	(53)	(40)	(20,968)
<b>Net financial (liabilities)/assets</b>	<b>(2,403)</b>	<b>(24)</b>	<b>(183)</b>	<b>478</b>	<b>354</b>	<b>(48)</b>	<b>449</b>	<b>(1,377)</b>
Add/(Less):								
Net financial liabilities/(assets) denominated in the Group's entities functional currency	2,630	–	–	(74)	(354)	–	–	2,202
<b>Currency exposure</b>	<b>227</b>	<b>(24)</b>	<b>(183)</b>	<b>404</b>	<b>–</b>	<b>(48)</b>	<b>449</b>	<b>825</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 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
<b>Company</b>				
<b>2023</b>				
<u>Financial assets</u>				
Cash and cash equivalents	126	126	1	253
Amounts due from subsidiaries	3,594	–	–	3,594
Other receivables (excluding GST/VAT receivables)	14,853	22	–	14,875
	<b>18,573</b>	<b>148</b>	<b>1</b>	<b>18,722</b>
<u>Financial liabilities</u>				
Other payables	–	(239)	(30)	(269)
Amounts due to subsidiaries	(2,478)	–	–	(2,478)
	<b>(2,478)</b>	<b>(239)</b>	<b>(30)</b>	<b>(2,747)</b>
<b>Net financial assets/ (liabilities)</b>	<b>16,095</b>	<b>(91)</b>	<b>(29)</b>	<b>15,975</b>
Less:				
Net financial assets denominated in the Company's functional currency	(16,095)	–	–	(16,095)
<b>Currency exposure</b>	<b>–</b>	<b>(91)</b>	<b>(29)</b>	<b>(120)</b>
<b>2022</b>				
<u>Financial assets</u>				
Cash and cash equivalents	86	82	–	168
Amounts due from subsidiaries	2,499	–	–	2,499
Other receivables (excluding GST/VAT receivables)	13,709	50	–	13,759
	<b>16,294</b>	<b>132</b>	<b>–</b>	<b>16,426</b>
<u>Financial liabilities</u>				
Other payables	–	(151)	(17)	(168)
Lease liabilities	–	(38)	–	(38)
	<b>–</b>	<b>(189)</b>	<b>(17)</b>	<b>(206)</b>
<b>Net financial assets/ (liabilities)</b>	<b>16,294</b>	<b>(57)</b>	<b>(17)</b>	<b>16,220</b>
Less:				
Net financial assets denominated in the Company's functional currency	(16,294)	–	–	(16,294)
<b>Currency exposure</b>	<b>–</b>	<b>(57)</b>	<b>(17)</b>	<b>(74)</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 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, being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	Group		Company	
	← Increase/(Decrease) → Loss before tax 2023 US\$'000	← Increase/(Decrease) → Loss before tax 2022 US\$'000	← Increase/(Decrease) → Loss before tax 2023 US\$'000	← Increase/(Decrease) → Loss before tax 2022 US\$'000
SGD against USD				
– strengthened	5	1	5	3
– weakened	(5)	(1)	(5)	(3)
CNY against USD				
– strengthened	6	9	–	–
– weakened	(6)	(9)	–	–
GBP against USD				
– strengthened	(42)	(20)	1	1
– weakened	42	20	(1)	(1)
IDR against USD				
– strengthened	1	2	–	–
– weakened	(1)	(2)	–	–

#### (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 24 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 loss for the year ended 31 December 2023 would increase/decrease by US\$32,000 (2022: US\$55,000).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (a) Market Risk (cont'd)

#### (ii) Interest rate risk (cont'd)

##### 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 2023, the Group has variable rate borrowings of approximately US\$220,000 that are indexed to SOFR. The borrowing contracts which maturing after the cessation of IBORs publication has been transitioned to a new benchmark rate in 2023.

### (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 minimise 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 18, 19 and 20, 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\$2,343,000 (2022: US\$2,886,000) 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 49.6% (2022: 74.4%) of the trade receivables outstanding as at the end of the financial year are owing from 5 (2022: 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (b) Credit Risk (cont'd)

#### 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 18.

#### 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 19) and amounts due from subsidiaries (Note 16) 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 deposits and other debtors are measured at an amount equal to the lifetime ECL. Further details on the loss allowance is disclosed in Note 19.

#### Cash and cash equivalents

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (b) Credit Risk (cont'd)

#### 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

#### 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
<b>Group</b>					
<u>31 December 2023</u>					
Trade receivables (Note 18)	Note 1	Lifetime ECL (Simplified)	11,427	(375)	11,052
Other receivables (excluding advanced payments and GST/VAT receivables) (Note 19)	Performing	12-month ECL	254	–	254
Cash and cash equivalents (Note 20)	Performing	12-month ECL	10,795	–	10,795
<u>31 December 2022</u>					
Trade receivables (Note 18)	Note 1	Lifetime ECL (Simplified)	10,533	(522)	10,011
Other receivables (excluding advanced payments and GST/VAT receivables) (Note 19)	Performing	12-month ECL	336	–	336
Cash and cash equivalents (Note 20)	Performing	12-month ECL	9,244	–	9,244

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 18 and 19.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (b) Credit Risk (cont'd)

#### Credit risk exposure and significant credit risk concentration (cont'd)

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
<b>Company</b>					
<u>31 December 2023</u>					
Other receivables (excluding GST/VAT receivables) (Note 19)	Performing	12-month ECL	14,875	–	14,875
Amounts due from subsidiaries (Note 16)	Performing	12-month ECL	3,594	–	3,594
Cash and cash equivalents (Note 20)	Performing	12-month ECL	253	–	253
<u>31 December 2022</u>					
Other receivables (excluding GST/VAT receivables) (Note 19)	Performing	12-month ECL	13,759	–	13,759
Amounts due from subsidiaries (Note 16)	Performing	12-month ECL	2,499	–	2,499
Cash and cash equivalents (Note 20)	Performing	12-month ECL	168	–	168

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (c) Liquidity Risk (cont'd)

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
<b>Group</b>				
<b>2023</b>				
Trade and other payables (excluding provision for warranty, customers advances received and GST/VAT payables)	15,450	15,450	15,288	162
Borrowings	3,232	3,476	3,476	–
Lease liabilities	1,889	2,139	1,600	539
<b>2022</b>				
Trade and other payables (excluding provision for warranty, customers advances received and GST/VAT payables)	12,278	12,278	12,106	172
Borrowings	5,488	5,775	5,775	–
Lease liabilities	3,206	3,417	1,712	1,705
<b>Company</b>				
<b>2023</b>				
Other payables	269	269	269	–
Amount due to subsidiaries	2,478	2,478	2,478	–
<b>2022</b>				
Other payables	168	168	168	–
Lease liabilities	38	38	38	–

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	
	2023 US\$'000	2022 US\$'000
Financial guarantee	3,476	5,775

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 30 Financial Risk Management (cont'd)

### (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 2023 and 2022.

As disclosed in Note 22, 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 2023 and 2022.

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	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Lease liabilities	1,889	3,206	–	38
Borrowings	3,232	5,488	–	–
Trade and other payables	16,167	13,287	269	168
Amounts due to subsidiaries	–	–	2,478	–
Less: Cash and cash equivalents	(10,795)	(9,244)	(253)	(168)
Net debt	10,493	12,737	2,494	38
Equity attributable to the equity holders of the Company	33,004	33,607	33,962	34,112
Net-debt-to-equity ratio	31.8%	37.9%	7.3%	0.1%

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 31 Fair Value Financial Instruments

### (a) 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 other payables (Note 23) and non-current lease liabilities (Note 25) to the financial statements are reasonable approximation of their fair value.

### (b) 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.

## 32 Comparative Figures

Certain restatements have been made to the prior year's financial statements to reclassify service fees rendered from cost of sales to administrative expenses, and geographical revenue from the Rest of the World segment to the America segment. As a result, certain line items have been amended on the face of the consolidated statement of comprehensive income and geographical information for the financial year ended 31 December 2022 as summarised below:

	Note	Previously reported US\$'000	Reclassification US\$'000	Restated US\$'000
<b>2022</b>				
<b>Consolidated Statement of Financial Statements</b>				
Cost of sales	(a)	59,354	(1,005)	58,349
Administrative expenses	(a)	15,485	1,005	16,490
<b>Geographical Information</b>				
<b>Revenue</b>				
America	(b)	40,256	4,565	44,821
Rest of the World	(b)	10,702	(4,565)	6,137

(a) Reclassification of service fees rendered from cost of sales to administrative expenses.

(b) Reclassification of geographical revenue from Rest of the World to America.

# SHAREHOLDERS' INFORMATION

As at 18 March 2024

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	35	2.94	1,668	0.00
100 – 1,000	140	11.75	51,416	0.02
1,001 – 10,000	271	22.73	1,526,515	0.56
10,001 – 1,000,000	717	60.15	74,987,894	27.60
1,000,001 and above	29	2.43	195,094,734	71.82
	<b>1,192</b>	<b>100.00</b>	<b>271,662,227</b>	<b>100.00</b>

## Twenty Largest Shareholders

No.	Name of Shareholders	No. of Shares	%
1.	OCBC Securities Private Ltd	50,344,975	18.53
2.	Phillip Securities Pte Ltd	29,639,678	10.91
3.	DBSN Services Pte Ltd	24,334,179	8.96
4.	Raffles Nominees (Pte) Limited	9,936,100	3.66
5.	Tan Seng Hock	8,756,500	3.22
6.	SCE Enterprise Pte. Ltd.	8,386,100	3.09
7.	DBS Nominees Pte Ltd	7,649,977	2.82
8.	ABN Amro Clearing Bank N.V.	7,418,400	2.73
9.	Kong Kok Choy	6,000,000	2.21
10.	Coffee Express 2000 Pte Ltd	5,250,000	1.93
11.	Hong Joo Co Pte Ltd	5,019,000	1.85
12.	UOB Kay Hian Pte Ltd	3,458,050	1.27
13.	Tang Lui Sing	2,752,000	1.01
14.	OCBC Nominees Singapore Pte Ltd	2,747,900	1.01
15.	Lim Khai Jiunn	2,600,000	0.96
16.	United Overseas Bank Nominees Pte Ltd	2,216,600	0.82
17.	Allplus Holdings Pte Ltd	2,057,500	0.76
18.	Estate of Goh Jui Hoo, Deceased	1,800,100	0.66
19.	HSBC (Singapore) Nominees Pte Ltd	1,752,850	0.64
20.	Maybank Securities Pte. Ltd.	1,523,300	0.56
	<b>Total</b>	<b>183,643,209</b>	<b>67.60</b>

# SHAREHOLDERS' INFORMATION

As at 18 March 2024

## Substantial Shareholders

(As recorded in the Register of Substantial Shareholder)

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Gregory Knox Jones	–	–	24,334,179 <sup>(2)</sup>	8.96	24,334,179	8.96
EGCP II Satellite Holdings, LLC (“EGCP”)	–	–	24,334,179 <sup>(3)</sup>	8.96	24,334,179	8.96
Neo Chee Beng	7,000	0.002	18,231,000 <sup>(4)</sup>	6.71	18,238,000	6.71
Tan Seng Hock	8,456,500	3.11	7,307,500 <sup>(5)</sup>	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 18 March 2024, approximately 70.32% 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 at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard, #02-401/402 Suntec City Mall, Singapore 038983 on Wednesday, 24 April 2024 at 11.00 a.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 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Wayne Robert Porritt as a Director of the Company retiring pursuant to Regulation 105 of the Company’s Constitution and Rule 720(5) of the Listing Manual of the Singapore Stock Exchange Securities Trading Limited (“**SGX-ST**”).  
*[See Explanatory Note (i)]* **(Resolution 2)**
3. To note the retirement of Mr John Lim Yew Kong as a Director of the Company pursuant to Regulation 105 of the Company’s Constitution.  
*[See Explanatory Note (ii)]*
4. To approve the payment of Directors’ fees of up to S\$300,927 for the financial year ending 31 December 2024, to be paid quarterly in arrears (FY2023: S\$290,863).  
*[See Explanatory Note (iii)]* **(Resolution 3)**
5. To re-appoint Moore Stephens LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 4)**
6. 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 resolution as Ordinary Resolution, with or without any modifications:

### 7. **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 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 (iv)]

**(Resolution 5)**

By Order of the Board

Yoo Loo Ping  
Company Secretary

Singapore, 9 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes on Resolutions to be passed:

- (i) Mr Wayne Robert Porritt will, upon re-election as a Director of the Company, remain as the Independent Chairman, Chairman of the Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”), and as a member of the Audit and Risk Committee (“**ARC**”). He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
- (ii) Pursuant to Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST and the Transition Practice Note 4 on Transitional Arrangements Regarding the Tenure Limit for Independent Directors, Mr John Lim Yew Kong (“**Mr John Lim**”) will cease to be considered independent after the conclusion of the AGM. As part of the Board renewal process, Mr John Lim will be retiring and will not seek for re-election as a Director of the Company at the AGM. Following his retirement, Mr John Lim will contemporaneously relinquish his position as the Lead Independent Director, Chairman of ARC and member of NC and RC.
- (iii) The Ordinary Resolution 3 proposed in item 4 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 2024 (“**FY2024**”), 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 FY2024 would have been S\$354,031 (including S\$59,744 as provision for the new appointment of an additional Independent Director). In view of the on-going challenges faced by the Group, 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 FY2024 and the Board Chairman volunteered waiving his fees for the role as Board Chairman for FY2024.
- (iv) The Ordinary Resolution 5 proposed in item 7 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.

## Important Notice for Shareholders:

The Company’s AGM will be held physically at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard, #02-401/402 Suntec City Mall, Singapore 038983 on 24 April 2024 at 11.00 a.m. for considering and, if thought fit, passing the resolutions set out in the Notice of AGM.

Copies of the documents and information relating to the AGM (including the Annual Report FY2023, Notice of AGM and Proxy Form) will be sent to members by post and published 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

Shareholders, including CPF and SRS investors, may participate in the AGM by:

- (i) Attending the AGM in person;
- (ii) Submitting questions in relation to the agenda item in this Notice of AGM in advance of, or at the AGM; and/or
- (iii) Voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in notes (b) to (f) below.

# NOTICE OF ANNUAL GENERAL MEETING

(b) **Register in person to attend the AGM**

Shareholders, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/passport to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

For investors who hold shares through relevant intermediaries please refer to note (e) for the procedures to attend and vote at the AGM.

(c) **Asking Questions**

Shareholders and Investors who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **16 April 2024, 11.00 a.m.**, through any of the following means:

- (i) via email to [globalinvacom-agm@complete-corp.com](mailto:globalinvacom-agm@complete-corp.com); or
- (ii) in hard copy by sending personally or by post and lodging the same at c/o 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 in hard copy by sending personally or by post, 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).

The Company will address all substantial and relevant Advanced Questions through an announcement on the Company's corporate website at the URL <https://globalinvacom.com/pages/investor-relations> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> by **19 April 2024**.

Follow up questions which are submitted after **16 April 2024, 11.00 a.m.** 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**

*For investors who hold shares through relevant intermediaries please refer to note (e) for the procedures to vote at the AGM.*

*For CPF and SRS investors please refer to note (f) for the procedures to vote at the AGM.*

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

Duly completed Proxy Forms, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must 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 not later than **22 April 2024, 11.00 a.m.** (being no later than 48 hours before the time appointed for holding the AGM) and in default the proxy form shall not be treated as valid.

The Proxy Form has been posted to all members and has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://globalinvacom.com/pages/investor-relations>.

Please refer to the detailed instructions set out in the Proxy Form.

# NOTICE OF ANNUAL GENERAL MEETING

(e) **Voting at the AGM by Relevant Intermediary Investors**

“Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act.

Relevant Intermediary Investors who wish to attend the AGM, or to appoint proxy(ies) 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 for the proxy(ies) appointment.

(f) **Voting at the AGM by CPF/SRS Investors**

CPF and SRS investors who wish to vote at the AGM may attend the AGM in person physically, or may appoint the Chairman of the Meeting as their proxy to vote. The CPF and SRS investors who wish to appoint the Chairman of the Meeting as their proxy should not make use of the Proxy Form. They should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **15 April 2024, 11.00 a.m.**, 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.

**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 an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

# GLOBAL INVACOM GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No: 200202428H)

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT:

1. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. For CPF/SRS investors who wish to appoint the Chairman of the Meeting as their proxy, please approach your CPF and/or SRS approved nominees to submit your votes at least seven (7) working days before the Annual General Meeting.

\* Delete where inapplicable

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (\*NRIC/Passport/Registration No.)  
of \_\_\_\_\_ (Address)  
being a \*shareholder/shareholders of **GLOBAL INVACOM GROUP LIMITED** (the "**Company**"), hereby appoint:

Name	*NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\*and/or

Name	*NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her, the Chairman of the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the AGM of the Company to be held at The National University of Singapore Society, Suntec City Guild House, 3 Temasek Boulevard, #02-401/402 Suntec City Mall, Singapore 038983 on Wednesday, 24 April 2024 at 11.00 a.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion.

\* (Please indicate your votes for or against or abstain from a resolution with a tick "✓" in the box provided under "For" or "Against" or "Abstain" below. Alternatively, please indicate the number of shares that the proxy(ies) is/are directed to vote "For" or "Against" or to abstain from voting.)

No.	Ordinary Resolutions relating to	FOR <sup>#</sup>	AGAINST <sup>#</sup>	ABSTAIN <sup>#</sup>
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023.			
2.	Re-election of Mr Wayne Robert Porritt as a Director.			
3.	Approval of payment of Directors' fees for the financial year ending 31 December 2024 amounting to S\$300,927, payable quarterly in arrears.			
4.	Re-appointment of Moore Stephens LLP as Auditors.			
5.	Authority to allot and issue shares.			

Dated this \_\_\_\_\_ day of April 2024

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.**



**PLEASE READ THE NOTES BELOW:**

1. Please insert the total number of shares held by you in the capital of the Company. If you have shares entered against your name on 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 of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
3. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A shareholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
5. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
6. For investors who hold shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme ("**CPF/SRS investors**"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF agent banks/SRS operators to submit their votes by 15 April 2024, 11.00 a.m., being not less than seven (7) working days before the AGM.
7. The instrument appointing proxy(ies) must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) 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. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which this instrument of proxy may be treated as invalid.
8. The instrument appointing the proxy(ies), duly executed, must be deposited at the Company's Share Registrar and Share Transfer office at B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 by 22 April 2024, 11.00 a.m., being no later than forty-eight (48) hours before the time appointed for holding the AGM.
9. The Company shall be entitled to reject the instrument appointing proxy(ies) 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 the proxy(ies). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment proxy or proxies 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) Limited to the Company.

**PERSONAL DATA PRIVACY:**

By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Wayne Robert Porritt**  
*(Independent Non-Executive Chairman)*

**Gordon Blaikie**  
*(Executive Director and Interim Chief Executive Officer)*

**John Lim Yew Kong**  
*(Lead Independent Director)*

**Kenny Sim Mong Keang**  
*(Non-Independent Non-Executive Director)*

## AUDIT AND RISK COMMITTEE

**John Lim Yew Kong**  
*(Chairman)*

**Wayne Robert Porritt**  
**Kenny Sim Mong Keang**

## NOMINATING COMMITTEE

**Wayne Robert Porritt**  
*(Chairman)*

**John Lim Yew Kong**  
**Kenny Sim Mong Keang**

## REMUNERATION COMMITTEE

**Wayne Robert Porritt**  
*(Chairman)*

**John Lim Yew Kong**  
**Kenny Sim Mong Keang**

## COMPANY SECRETARIES

**Yoo Loo Ping**  
**Khoo Yi Ning**

## REGISTERED OFFICE

7 Temasek Boulevard  
Level 32, Suntec Tower One  
Singapore 038987  
Tel: +65 6678 6777  
Fax: +65 6678 6501  
Website: [www.globalinvacom.com](http://www.globalinvacom.com)

## REPORTING ACCOUNTANTS AND AUDITORS

**Moore Stephens LLP**  
Public Accountants and Chartered Accountants  
10 Anson Road  
#29-15 International Plaza  
Singapore 079903  
Tel: +65 6221 3771  
Fax: +65 6221 3815

AUDIT PARTNER-IN-CHARGE  
Lao Mei Leng  
*(Appointed with effect from financial year ended 31 December 2023)*

## SHARE REGISTRAR

**B.A.C.S. Private Limited**  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896  
Tel: +65 6593 4848

## SOLICITORS

**Insights Law LLC**  
10 Anson Road  
#25-06 International Plaza  
Singapore 079903  
Tel: +65 6443 4920

**Furley Page LLP**  
Admiral's Offices  
Main Gate Road  
The Historic Dockyard, Chatham  
Kent ME4 4TZ  
United Kingdom  
Tel: +44 163 482 8277

**Loeb & Loeb LLP**  
345 Park Avenue  
New York NY 10154  
United States of America  
Tel: +1 212 407 4000

## FINANCIAL PR

**Vigo Consulting Limited**  
Sackville House  
40 Piccadilly  
London W1J 0DR  
United Kingdom  
Tel: +44 207 390 0230





Products & Solutions for New Space

7 Temasek Boulevard  
Level 32, Suntec Tower One  
Singapore 038987

T: +65 6678 6777 F: +65 6678 6501  
[www.globalinvacom.com](http://www.globalinvacom.com)

