



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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of Global Invacom Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Messrs. Moore Stephens LLP (the “**Auditor**”), has issued a qualified opinion (“**Disclaimer**”) in their Independent Auditor’s Report in relation to the consolidated audited financial statements of the Group for the financial year ended 31 December 2024 (“**FY2024**”)(the “**Financial Statements**”) on limitation of scope in relation to the disposal of Satellite Acquisition Corporation and Raven Antenna Systems Inc (“**Discontinued Components**”) on 10 July 2024.

A copy of the Independent Auditor’s Report and extract of the relevant note 7(a) of the Financial Statements are annexed to this announcement. Shareholders of the Company are advised to read the Financial Statements in its entirety in the annual report FY2024, which will be announced by the Company on SGXNet in due course.

For context, the qualified opinion arose due to limitations imposed on the Auditor in obtaining certain audit evidence from the receivers of the Discontinued Components despite Management’s best efforts to facilitate access. Consequently, this resulted in a limitation of scope on the audit in relation to the loss for the year from discontinued operations of US\$3.3 million included in the Group’s consolidated financial statements. For avoidance of doubt, the event leading to the qualified opinion, being the disposal of the Discontinued Components, is expected to be a one-off event. Management has commenced an internal review on its internal systems to ensure better integration with the Group’s entities accounting processes moving forward.

The Board is also of the opinion that sufficient information has been disclosed for trading of the Company’s securities to continue in an orderly manner and confirms that all material disclosures have been provided for trading of the Company’s shares to continue.

Notwithstanding the foregoing, the Board wishes to advise the shareholders and investors of the Company to exercise caution when dealing in the shares of the Company. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Gordon Blaikie
Executive Director

4 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL INVACOM GROUP LIMITED (Incorporated in Singapore)

Report on the audit of the Financial Statements

Qualified 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 2024, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, 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 2024 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 for Qualified Opinion

Limitation of scope – Satellite Acquisition Corporation and Raven Antenna Systems Inc ("Discontinued Components")

The Group's consolidated financial statements for the financial year ended 31 December 2024 included a loss for the year from discontinued operations of US\$3.3 million contributed by the Discontinued Components as disclosed in Note 7(a) to the financial statements. The financial records of the Discontinued Components were under the control of the Receivers with effect from 10 July 2024. While management was able to obtain and provide substantial financial information relating to the transactions included within discontinued operations, there was certain financial information for which appropriate audit evidence could not be obtained from the Receivers.

As a result, we were unable to complete the necessary audit procedures required in relation to the loss for the year from discontinued operations of US\$3.3 million. Consequently, we were unable to determine what adjustments, if any, might be required to the Group's consolidated financial statements.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL INVACOM GROUP LIMITED (Incorporated in Singapore)

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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. In addition to the matter described in *the Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<u>Valuation of inventories</u> We refer to Note 3(n), Note 4(a)(i) and Note 17 to the consolidated financial statements. The carrying amount of the Group's inventories was US\$12.9 million which represented 37.8% of the Group's total assets as at 31 December 2024. 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. 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.	<u>Our audit response:</u> Our audit procedures, amongst others, included the following: ▪ Updated our understanding of the Group's processes and key controls relating to the inventory costing and the assessment of allowance for stock obsolescence. ▪ Tested the cost of inventories on a sample basis to assess whether inventories are stated at the lower of cost and net realisable value. ▪ Compared subsequent selling prices against the carrying amounts of the inventories as at the reporting date. ▪ Reviewed inventory aging reports and historical trends, including inventory write-offs and reversals of obsolescence allowances. ▪ Discussed with management and evaluated their assessment of inventory obsolescence, including observing inventory conditions during stock count and verifying subsequent sales. <u>Our audit findings:</u> Based on the evidence obtained, we found management's assessment of the allowance for inventory obsolescence to be reasonable.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL INVACOM GROUP LIMITED (Incorporated in Singapore)

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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. As described in the *Basis for Qualified Opinion* section above, we were unable to complete the appropriate audit procedures required for the loss for the year from discontinued operations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL INVACOM GROUP LIMITED (Incorporated in Singapore)

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

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

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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

4 April 2025

GLOBAL INVACOM GROUP LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024

7(a) Discontinued operations

On 10 July 2024, the Group disposed its manufacturing presence in North America through the appointment of Receivers to the business. The Group's North American manufacturing activities were predominantly facilitated through its wholly-owned subsidiaries, Satellite Acquisition Corporation and Raven Antenna System Inc (collectively referred to as "SAC" or "Discontinued Components"). A significant structural reduction in demand for reflector products, in conjunction with the inflationary pressures and instability across global supply chains, meant that it was no longer economically feasible to continue with the operations of Discontinued Components.

The disposal was consistent with the Group's plan to divest its non-strategic/core and/or loss-making entities.

Analysis of loss for the period from discontinued operations of the following Discontinued Components:

The results of the discontinued operations included in the consolidated income statement are set out below. The comparative statement of comprehensive income has been re-presented to include those operations classified as discontinued in the current period.

	Group	
	2024	2023
	US\$'000	US\$'000
<u>Loss for the year from discontinued operations</u>		
Revenue	8,873	24,589
Cost of sales	(9,334)	(24,226)
Gross (loss)/profit	(461)	363
Other income	330	3,588
Distribution costs	(47)	(64)
Administrative expenses	(1,487)	(3,683)
Research and development expenses	(378)	(740)
Other operating expenses	(1,211)	-
Finance costs	(42)	(353)
Loss before income tax	(3,296)	(889)
Income tax expense	-	-
Loss for the year from discontinued operations	(3,296)	(889)
Attributable to:		
Equity holders of the Company	(3,296)	(889)
Non-controlling interests	-	-
	(3,296)	(889)
<u>Cash flows from discontinued operations</u>		
Cash flow (used in)/generated from operating activities	(3,666)	3,164
Cash flow generated from investing activities	330	460
Cash flow (used in) financing activities	(18)	-
Net cash flow (used in)/generated from discontinued operations	(3,354)	3,624