



**global invacom**  
completing the picture

**GLOBAL INVACOM GROUP LIMITED**  
(Incorporated in Singapore)  
(Company Registration Number 200202428H)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Six Months Ended 30 June 2021

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**A. Condensed Interim Consolidated Statement of Comprehensive Income**

	<b>Group</b>		
	<b>1H FY2021 US\$'000</b>	<b>1H FY2020 US\$'000</b>	<b>Increase/ (Decrease) %</b>
<b>Revenue</b>	<b>40,439</b>	<b>52,773</b>	<b>(23.4)</b>
Cost of sales	(31,653)	(40,423)	(21.7)
Gross profit	8,786	12,350	(28.9)
Other income	1,478	125	N.M.
Distribution costs	(137)	(115)	19.1
Administrative expenses	(10,877)	(11,030)	(1.4)
Other operating expenses	(52)	(378)	(86.2)
Finance income	30	21	42.9
Finance costs	(352)	(429)	(17.9)
<b>(Loss)/Profit before income tax</b>	<b>(1,124)</b>	<b>544</b>	<b>N.M.</b>
Income tax expense	(54)	(202)	(73.3)
<b>(Loss)/Profit for the period</b>	<b>(1,178)</b>	<b>342</b>	<b>N.M.</b>
<b>Other comprehensive income/(loss):</b>			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign subsidiaries	325	(105)	N.M.
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>325</b>	<b>(105)</b>	<b>N.M.</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(853)</b>	<b>237</b>	<b>N.M.</b>
<b>(Loss)/Profit for the period attributable to:</b>			
Equity holders of the Company	(1,177)	345	N.M.
Non-controlling interests	(1)	(3)	(66.7)
	<b>(1,178)</b>	<b>342</b>	<b>N.M.</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Equity holders of the Company	(852)	240	N.M.
Non-controlling interests	(1)	(3)	(66.7)
	<b>(853)</b>	<b>237</b>	<b>N.M.</b>

N.M.: Not Meaningful

**B. Condensed Interim Statements of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	8,775	9,410	46	82
Right-of-use assets	5,472	6,340	105	162
Investments in subsidiaries	-	-	27,102	27,102
Goodwill	6,092	6,092	-	-
Intangible assets	1,998	2,291	-	-
Other financial assets	8	8	-	-
Deferred tax assets	1,363	1,363	-	-
Other receivables and prepayments	54	54	10,793	10,563
	<b>23,762</b>	<b>25,558</b>	<b>38,046</b>	<b>37,909</b>
<b>Current Assets</b>				
Due from subsidiaries	-	-	4,168	4,045
Inventories	25,714	26,816	-	-
Trade receivables	13,373	10,689	-	-
Other receivables and prepayments	2,466	2,033	3,059	3,513
Tax receivables	1	-	-	-
Cash and cash equivalents	9,435	11,273	165	150
	<b>50,989</b>	<b>50,811</b>	<b>7,392</b>	<b>7,708</b>
<b>Total assets</b>	<b>74,751</b>	<b>76,369</b>	<b>45,438</b>	<b>45,617</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	60,423	60,423	74,240	74,240
Treasury shares	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	(12,676)	(11,824)	(28,441)	(28,302)
Equity attributable to owners of the Company	46,091	46,943	44,143	44,282
Non-controlling interests	(17)	(16)	-	-
<b>Total equity</b>	<b>46,074</b>	<b>46,927</b>	<b>44,143</b>	<b>44,282</b>
<b>Non-current Liabilities</b>				
Other payables	124	124	-	-
Lease liabilities	4,309	4,848	39	39
Deferred tax liabilities	634	634	-	-
	<b>5,067</b>	<b>5,606</b>	<b>39</b>	<b>39</b>
<b>Current Liabilities</b>				
Due to subsidiaries	-	-	919	835
Trade payables	10,815	12,509	-	-
Other payables	4,969	5,589	272	333
Borrowings	6,199	3,883	-	-
Lease liabilities	1,372	1,854	65	128
Provision for income tax	255	1	-	-
	<b>23,610</b>	<b>23,836</b>	<b>1,256</b>	<b>1,296</b>
<b>Total liabilities</b>	<b>28,677</b>	<b>29,442</b>	<b>1,295</b>	<b>1,335</b>
<b>Total equity and liabilities</b>	<b>74,751</b>	<b>76,369</b>	<b>45,438</b>	<b>45,617</b>

**C. Condensed Interim Statements of Changes in Equity**

Group	Share capital US\$'000	Treasury shares US\$'000	Merger reserves US\$'000	Capital redemption reserves US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Retained profits US\$'000	Attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total US\$'000
<b>Balance as at 1 January 2021</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(964)</b>	<b>3,668</b>	<b>46,943</b>	<b>(16)</b>	<b>46,927</b>
Loss for the period	-	-	-	-	-	-	-	(1,177)	(1,177)	(1)	(1,178)
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	325	-	325	-	325
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	325	(1,177)	(852)	(1)	(853)
<b>Balance as at 30 June 2021</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(639)</b>	<b>2,491</b>	<b>46,091</b>	<b>(17)</b>	<b>46,074</b>
<b>Balance as at 1 January 2020</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(1,217)</b>	<b>1,054</b>	<b>44,076</b>	<b>(11)</b>	<b>44,065</b>
Profit/(Loss) for the period	-	-	-	-	-	-	-	345	345	(3)	342
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(105)	-	(105)	-	(105)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(105)	345	240	(3)	237
<b>Balance as at 30 June 2020</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(1,322)</b>	<b>1,399</b>	<b>44,316</b>	<b>(14)</b>	<b>44,302</b>

**C. Condensed Interim Statements of Changes in Equity (cont'd)**

Company	Share capital US\$'000	Treasury shares US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
<b>Balance as at 1 January 2021</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(22,040)</b>	<b>44,282</b>
Loss for the period	-	-	-	-	-	(139)	(139)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(139)	(139)
<b>Balance as at 30 June 2021</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(22,179)</b>	<b>44,143</b>
<b>Balance as at 1 January 2020</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(20,591)</b>	<b>45,731</b>
Loss for the period	-	-	-	-	-	(391)	(391)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(391)	(391)
<b>Balance as at 30 June 2020</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(20,982)</b>	<b>45,340</b>

**D. Condensed Interim Consolidated Statement of Cash Flows**

	Group	
	1H FY2021 US\$'000	1H FY2020 US\$'000
<b>Cash Flows from Operating Activities</b>		
(Loss)/Profit before income tax	(1,124)	544
Adjustments for:		
Depreciation of property, plant and equipment	1,143	1,388
Amortisation of intangible assets	266	446
Depreciation of right-of-use assets	996	1,076
Gain on disposal of property, plant and equipment	(1,143)	-
(Write-back)/Allowance for inventory obsolescence	(2)	19
Impairment of trade receivables	-	274
Bad debts written off	17	-
Unrealised exchange loss/(gain)	124	(53)
Interest income	(30)	(21)
Interest expense	352	429
Gain on lease modifications	(207)	-
<b>Operating cash flow before working capital changes</b>	<b>392</b>	<b>4,102</b>
Changes in working capital:		
Inventories	1,104	(1,256)
Trade receivables	(2,702)	(324)
Other receivables and prepayments	422	(395)
Trade and other payables	(2,424)	(2,756)
<b>Cash used in operating activities</b>	<b>(3,208)</b>	<b>(629)</b>
Interest paid	(116)	(60)
Income tax paid	(2)	-
<b>Net cash used in operating activities</b>	<b>(3,326)</b>	<b>(689)</b>
<b>Cash Flows from Investing Activities</b>		
Interest received	-	21
Purchase of property, plant and equipment	(679)	(966)
Proceeds from disposal of property, plant and equipment	581	-
<b>Net cash used in investing activities</b>	<b>(98)</b>	<b>(945)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	17,026	23,238
Repayment of borrowings	(14,710)	(21,906)
Principal payment of lease liabilities	(740)	(1,109)
<b>Net cash generated from financing activities</b>	<b>1,576</b>	<b>223</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,848)</b>	<b>(1,411)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11,273</b>	<b>8,912</b>
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	10	(23)
<b>Cash and cash equivalents at the end of the period</b>	<b>9,435</b>	<b>7,478</b>

## **E. Notes to the Condensed Interim Consolidated Financial Statements**

### **1. General Information**

Global Invacom Group Limited (the “Company”) is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company is also listed on the AIM Market of the London Stock Exchange (“AIM”) in the United Kingdom (UK). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (the “Group”). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are design, manufacture and supply of a full range of satellite ground equipment, including antennas, LNB receivers, transceivers, fibre distribution equipment, transmitters, switches and video distribution components.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and International Financial Reporting Standards (“IFRSs”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar which is the Company’s functional currency.

#### **2.1 New and amended standards adopted by the Group**

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2020, except for the adoption of new or revised SFRS(I) and interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for the financial year beginning on or after 1 January 2021. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – capitalised development costs
- Note 11 – impairment test on property, plant and equipment
- Note 12 – impairment test on investments in subsidiaries

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**2. Basis of Preparation (cont'd)**

**2.2 Use of judgements and estimates (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 11 – useful lives of property, plant and equipment

**3. Seasonal Operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months ended 30 June 2021.

**4. Segment and Revenue Information**

The Group is organised into the following main business segments:

- Satellite Communications ("Sat Comms"); and
- Contract Manufacturing ("CM")

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.

**4.1 Reportable segments**

	<b>Sat Comms US\$'000</b>	<b>CM US\$'000</b>	<b>Group US\$'000</b>
<b>1H FY2021</b>			
Revenue	40,439	-	40,439
Operating loss	(785)	(17)	(802)
Finance income			30
Finance costs			(352)
Income tax expense			(54)
<b>Loss for the Period</b>			<b>(1,178)</b>
Amortisation of intangible assets	266	-	266
Depreciation of property, plant and equipment	1,143	-	1,143
Depreciation of right-of-use assets	996	-	996
Addition to property, plant and equipment	679	-	679
Bad debts written off	-	17	17
Gain on lease modifications	(207)	-	(207)
Write-back for inventory obsolescence, net	(2)	-	(2)



**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**4. Segment and Revenue Information (cont'd)**

**4.1 Reportable segments (cont'd)**

	<b>Sat Comms US\$'000</b>	<b>CM US\$'000</b>	<b>Group US\$'000</b>
<b>Assets and liabilities</b>			
Segment assets	70,826	1,825	72,651
<u>Unallocated assets</u>			
- Non-current assets			46
- Other receivables			85
- Deferred tax assets			1,363
- Cash and cash equivalents			500
- Tax receivables			1
- Right-of-use assets			105
<b>Total assets</b>			<u>74,751</u>
Segment liabilities	19,581	1,570	21,151
<u>Unallocated liabilities</u>			
- Other payables			334
- Provision for income tax			255
- Deferred tax liabilities			634
- Borrowings			6,199
- Lease liabilities			104
<b>Total liabilities</b>			<u>28,677</u>
<b>1H FY2020</b>			
Revenue	<u>51,174</u>	<u>1,599</u>	<u>52,773</u>
Operating profit	<u>875</u>	<u>77</u>	952
Finance income			21
Finance costs			(429)
Income tax expense			(202)
<b>Profit for the period</b>			<u>342</u>
Amortisation of intangible assets	446	-	446
Depreciation of property, plant and equipment	1,387	1	1,388
Depreciation of right-of-use assets	1,014	62	1,076
Addition to property, plant and equipment	966	-	966
Impairment loss on trade receivables	274	-	274
Allowance for inventory obsolescence, net	58	(39)	19
<b>Assets and liabilities</b>			
Segment assets	80,032	1,239	81,271
<u>Unallocated assets</u>			
- Non-current assets			138
- Other receivables			97
- Deferred tax assets			975
- Cash and cash equivalents			274
- Tax receivables			1
- Right-of-use assets			88
<b>Total assets</b>			<u>82,844</u>
Segment liabilities	18,870	1,606	20,476
<u>Unallocated liabilities</u>			
- Other payables			306
- Provision for income tax			143
- Deferred tax liabilities			428
- Borrowings			10,261
- Lease liabilities			6,928
<b>Total liabilities</b>			<u>38,542</u>

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**4. Segment and Revenue Information (cont'd)**

**4.2 Disaggregation of revenue**

The Group's revenue is disaggregated by principal geographical areas, major product lines and timing of revenue recognition.

	<b>Group</b>	
	<b>1H FY2021 US\$'000</b>	<b>1H FY2020 US\$'000</b>
<b>Principal geographical market</b>		
<u>America</u>		
- Sale of goods	23,165	35,862
<u>Europe</u>		
- Sale of goods	10,997	12,059
<u>Asia</u>		
- Sale of goods	1,209	2,014
<u>Rest of the World</u>		
- Sale of goods	5,068	2,838
<b>Total</b>	<b>40,439</b>	<b>52,773</b>
<b>Major product lines</b>		
Sale of goods	40,439	52,773

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.

**5. Financial Assets and Financial Liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Total</u> US\$'000
<b>Group and Company</b>				
<u>30 June 2021</u>				
Financial asset at fair value through other comprehensive income	-	-	8	8
<u>31 December 2020</u>				
Financial asset at fair value through other comprehensive income	-	-	8	8

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**5. Financial Assets and Financial Liabilities (cont'd)**

**5.1 Significant items**

	Group	
	1H FY2021 US\$'000	1H FY2020 US\$'000
Interest income	30	21
Interest expense	(352)	(429)
Gain on disposal of property, plant and equipment	1,143	-
Gain on lease modifications	207	-
Impairment of trade receivables	-	(274)
Loss on foreign exchange	(34)	(102)
Bad debts written off	(17)	-
Write-back/(Allowance) for inventory obsolescence	2	(19)
Depreciation of property, plant and equipment	(1,143)	(1,388)
Depreciation of right-of-use assets	(996)	(1,076)
Amortisation of intangible assets	(266)	(446)
Research and development expense	(792)	(881)

**5.2 Related party transactions**

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

**6. Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

**7. Earnings Per Share**

Earnings per ordinary share of the Group, after deducting any provision for preference dividends	Group	
	1H FY2021 US\$	1H FY2020 US\$
(a) Based on weighted average number of ordinary shares on issue; and	(0.43) cent	0.13 cent
(b) On a fully diluted basis	(0.43) cent*	0.13 cent*
Weighted average number of ordinary shares used in computation of basic earnings per share	271,662,227	271,662,227
Weighted average number of ordinary shares used in computation of diluted earnings per share	271,662,227	271,662,227

\* Diluted earnings per share are the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to increase the earnings per share.

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**8. Net Asset Value**

	Group		Company	
	30 Jun 2021 US\$	31 Dec 2020 US\$	30 Jun 2021 US\$	31 Dec 2020 US\$
Net asset value per ordinary share based on issued share capital	16.97 cents	17.28 cents	16.25 cents	16.30 cents
Total number of issued shares	271,662,227	271,662,227	271,662,227	271,662,227

**9. Fair Value Measurement**

The Group and the Company categories fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the financial assets and financial liabilities measurement at fair value as at the statement of financial position date by level of the fair value hierarchy:

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Total</u> US\$'000
<b>Group and Company</b>				
<u>30 June 2021</u>				
Financial asset at fair value through other comprehensive income	-	-	8	8
<u>31 December 2021</u>				
Financial asset at fair value through other comprehensive income	-	-	8	8

**9.1 Fair value of the Group's and the Company's financial assets and liabilities that are measured at fair value on a recurring basis**

The Group and Company's financial asset, at fair value through profit or loss as at the statement of financial position date is considered not significant.

**9.2 Fair value of the Group's and the Company's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosure is required)**

- (i) The carrying amounts of financial assets and liabilities with a maturity of less than 1 year, which include cash and cash equivalents, borrowings, receivables and payables are assumed to approximate their fair values due to their short-term maturities.
- (ii) The carrying amount of non-current portion of loans to subsidiaries, non-current portion of other payables and non-current lease liabilities to the financial statements are reasonable approximation of their fair value.

**9.3 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.

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**9. Fair Value Measurement (cont'd)**

**9.3 Valuation Policies and Procedures (cont'd)**

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.

**10. Intangible Assets**

	Trading name US\$'000	Intellectual property rights US\$'000	Capitalised development costs US\$'000	Total US\$'000
<b>Group</b>				
<b>2021</b>				
<u>Cost</u>				
Balance at 1 January and 30 June	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	757	4,460	5,233
Amortisation charge	-	113	153	266
Currency realignment	-	27	-	27
Balance at 30 June	16	897	4,613	5,526
<u>Net book value</u>				
Balance at 30 June	-	1,777	221	1,998
<b>2020</b>				
<u>Cost</u>				
Balance at 1 January	16	2,685	4,823	7,524
Currency realignment	-	(11)	11	-
Balance at 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	483	3,921	4,420
Amortisation charge	-	250	539	789
Currency realignment	-	24	-	24
Balance at 31 December	16	757	4,460	5,233
<u>Net book value</u>				
Balance at 31 December	-	1,917	374	2,291

**11. Goodwill**

	30 June 2021 US\$'000	Group 31 December 2020 US\$'000
<u>Cost</u>		
Balance at the beginning and end of the period	9,352	9,352
<u>Allowance for impairment loss</u>		
Balance at the beginning and end of the period	3,260	3,260
Net carrying amount	6,092	6,092

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**11. Goodwill (cont'd)**

**11.1 Allocation of goodwill**

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

	30 June 2021 US\$'000	Group 31 December 2020 US\$'000
Satellite Communications		
- OnePath Networks Limited ("OPN") – Israel	893	893
- Satellite Acquisition Corporation ("SAC") – United States of America	5,199	5,199
	6,092	6,092

**12. Property, Plant and Equipment**

	Freehold property US\$'000	Machinery & equipment US\$'000	Motor vehicles US\$'000	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
<b>Group</b>						
<b>2021</b>						
<u>Cost</u>						
Balance at 1 January	2,883	17,639	40	7,649	1,458	29,669
Currency realignment	-	(18)	-	11	(1)	(8)
Additions	-	627	-	51	1	679
Balance at 30 June	2,883	18,248	40	7,711	1,458	30,340
<u>Accumulated Depreciation</u>						
Balance at 1 January	928	11,187	40	6,969	1,135	20,259
Currency realignment	-	153	-	11	(1)	163
Depreciation charge	20	1,010	-	79	34	1,143
Balance at 30 June	948	12,350	40	7,059	1,168	21,565
<u>Net book value</u>						
Balance at 30 June	1,935	5,898	-	652	290	8,775
<b>2020</b>						
<u>Cost</u>						
Balance at 1 January	2,807	28,069	220	8,377	1,376	40,849
Currency realignment	76	(12)	-	53	184	301
Additions	-	1,462	-	410	104	1,976
Disposals	-	(146)	-	-	(10)	(156)
Write-off	-	(11,734)	(180)	(1,191)	(196)	(13,301)
Balance at 31 December	2,883	17,639	40	7,649	1,458	29,669
<u>Accumulated Depreciation</u>						
Balance at 1 January	849	20,640	220	7,629	1,257	30,595
Currency realignment	-	419	-	(1)	(1)	417
Depreciation charge	79	1,963	-	532	75	2,649
Disposals	-	(101)	-	-	-	(101)
Write-off	-	(11,734)	(180)	(1,191)	(196)	(13,301)
Balance at 31 December	928	11,187	40	6,969	1,135	20,259
<u>Net book value</u>						
Balance at 31 December	1,955	6,452	-	680	323	9,410

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**12. Property, Plant and Equipment (cont'd)**

	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
<b>Company</b>			
<b>2021</b>			
<u>Cost</u>			
Balance at 1 January and 30 June	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	137	72	209
Depreciation charge	28	8	36
Balance at 30 June	165	80	245
<u>Net book value</u>			
Balance at 30 June	46	-	46
<b>2020</b>			
<u>Cost</u>			
Balance at 1 January	209	80	289
Additions	2	-	2
Balance at 31 December	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	76	45	121
Depreciation charge	61	27	88
Balance at 31 December	137	72	209
<u>Net book value</u>			
Balance at 31 December	74	8	82

The proceeds from disposal of property, plant and equipment of US\$581,000 and gain on disposal of property, plant and equipment of US\$1,143,000 pertains to machinery and equipment that was fully written off in the prior financial year ended 31 December 2020.

**13. Investment in Subsidiaries**

	Company	
	30 Jun 2021 US\$'000	31 Dec 2020 US\$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	725	725
Currency realignment	131	131
Less: Allowance for impairment loss	(14,287)	(14,287)
	27,102	27,102

Movement in the allowance for impairment loss are as follows:

At the beginning of the period	14,287	13,803
Impairment loss recognised during the period	-	484
At the end of the period	14,287	14,287

**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**13. Investment in Subsidiaries (cont'd)**

Allowance for impairment loss

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

As at 30 June 2021 and 31 December 2020, an allowance for impairment loss of US\$8,648,000 was made on the cost of investment in GIMPL, as the allocated 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 30 June 2021 and 31 December 2020, an allowance for impairment loss of US\$5,639,000 was made on the cost of investment in GIHL Group, as the allocated 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.

**14. Borrowings**

Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
6,199	-	3,883	-

Amount repayable after one year

As at 30 Jun 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The revolving credit loans of US\$6,199,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

**15. Share Capital**

<b>1H FY2021</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2021 and 30 Jun 2021	271,662,227	72,584
<b>1H FY2020</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2020 and 30 Jun 2020	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 June 2021 and 30 June 2020 and there was no subsidiary holdings.



**E. Notes to the Condensed Interim Consolidated Financial Statements (cont'd)**

**15. Share Capital (cont'd)**

Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year:

	<b>30 Jun 2021</b>	<b>31 Dec 2020</b>
Total number of issued shares excluding treasury shares	271,662,227	271,662,227

Total number of treasury shares as at the end of the current financial period reported on:

<b>1H FY2021</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2021 and 30 Jun 2021	<u>10,740,072</u>	<u>1,656</u>

**16. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## **F. Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Global Invacom Group Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of financial position, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

### **2. Review of Performance of the Group**

#### **2.1 Review of Financial Performance**

##### ***Revenue***

The Group's revenue for the six months ended 30 June 2021 ("1H FY2021") decreased by 23.4% to US\$40.4 million from US\$52.8 million in the prior year ("1H FY2020"). The current COVID-19 pandemic situation has impacted the business of the Group globally. The Group has seen a reduction in orders from our customers and selected impact on our production facilities around the world as we adapted our working practices to comply with regional variations on social distancing and best practices during this pandemic.

Geographically, the Group's revenue for 1H FY2021 decreased in America, Europe and Asia by US\$12.7 million (-35.4%), US\$1.1 million (-8.8%) and US\$0.8 million (-40.0%), respectively, offset by an increase in Rest of the World by US\$2.2 million (+78.6%).

##### ***Gross Profit***

The decrease in revenue has resulted in a 28.9% decrease in gross profit from US\$12.4 million in 1H FY2020 to US\$8.8 million in 1H FY2021. Gross profit margin has decreased marginally by 1.7 percentage points from 23.4% to 21.7%, mainly attributable to higher materials, shipping and logistics costs due to the ongoing pandemic and supply chain constraints.

##### ***Other Income***

Other income in 1H FY2021 was derived mainly from gains on the disposal of equipment of US\$1.1 million, gain on lease modifications of US\$0.2 million, with the remainder comprising subsidy support received from various government bodies across the Group due to the pandemic.

##### ***Administrative Expenses***

Administrative expenses for 1H FY2021 decreased 1.4% to US\$10.9 million compared to US\$11.0 million in 1H FY2020, representing 26.9% and 20.9% of revenue, respectively. The ongoing cost control measures across the Group globally, coupled with reduction in travelling, marketing, trade shows etc. during this pandemic period has resulted in lower administrative expenses incurred.

##### ***Other Operating Expenses***

Other operating expenses in 1H FY2021 were attributed mainly to foreign exchange losses and bad debts written off.

##### ***Profit Before Tax & Net Profit***

The Group posted a loss before tax of US\$1.1 million in 1H FY2021, compared to a profit of US\$0.5 million in 1H FY2020.

Overall, the Group posted a net loss of US\$1.2 million in 1H FY2021, compared to a net profit of US\$0.3 million in 1H FY2020.

**F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**2. Review of Performance of the Group (cont'd)**

**2.2 Review of Financial Position**

Non-current assets decreased by US\$1.8 million to US\$23.8 million as at 30 June 2021, due to the depreciation of plant and equipment, the right-of-use assets and the amortisation of intangible assets.

Net current assets increased by US\$0.4 million to US\$27.4 million as at 30 June 2021 compared to US\$27.0 million as at 31 December 2020. Trade and other receivables increased by US\$3.1 million due to slower collections, offset by a decrease in inventories and trade and other payables of US\$1.1 million and US\$2.3 million respectively, resulting from inventory control, longer shipment lead times and continuing payment to suppliers.

Cash and cash equivalents decreased by US\$1.8 million to US\$9.4 million as at 30 June 2021 from US\$11.3 million at 31 December 2020 and borrowings increased by US\$2.3 million to US\$6.2 million as at 30 June 2021 from US\$3.9 million as at 31 December 2020.

Provision for income tax increased by US\$0.3 million and the repayment of leases has resulted in a decrease of US\$0.5 million in the current portion of lease liabilities.

With the repayment of leases, the non-current portion of the lease liabilities decreased by US\$0.5 million to US\$4.3 million as at 30 June 2021.

The Group's net asset value stood at US\$46.1 million as at 30 June 2021, compared to US\$46.9 million as at 31 December 2020.

**2.3 Review of Cash Flows**

In 1H FY2021, net cash used in operating activities amounted to US\$3.3 million, comprising US\$0.4 million cash inflow from operating activities (before working capital changes), US\$3.6 million net working capital outflow and US\$0.1 million payment of interest and income tax.

Net cash used in investing activities in 1H FY2021 amounted to US\$0.1 million, mainly due to the purchase and proceeds from the disposal of machinery and equipment.

Net cash generated from financing activities amounted to US\$1.6 million in 1H FY2021, attributable to the net proceeds of borrowings offset by the repayment of lease liabilities.

Overall, the Group recorded a net decrease in cash and cash equivalents amounting to US\$1.8 million in 1H FY2021, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$9.4 million as at 30 June 2021.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No prospect statement was made.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The COVID-19 global pandemic has continued to impact sales and profit growth in the period. We have now implemented processes enabling our employees to return to work safely should they wish to do so. As a global business, the Group continues to monitor the situation closely and to adhere to all relevant Government guidelines for the regions in which it is present and has adopted stringent hygiene procedures and safe-distancing measures throughout the business.

The Group's manufacturing sites have continued to experience delays due to global supply chains and availability of core components within its key markets, which has adversely impacted the Group's growth as well as our customers' sales. Equally, shutdowns in certain territories and geographies have also adversely impacted our sales.

**F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months. (cont'd)**

Global Invacom's products are expected to play a crucial role in meeting global demand for data and connectivity in the future. The COVID-19 pandemic has served to accelerate global demand for constant connectivity and service providers are increasingly seeking satellite solutions where traditional fibre and cable networks aren't suitable or capable of satisfying demand.

According to Fortune Business Insights, the global satellite market was valued at US\$23.4 billion in 2020 and is projected to grow to US\$46.5 billion by 2028, driven by universal demand for greater connectivity, coupled with the launch of smaller satellites for use across multiple industries including civil engineering, energy, oil and gas and others.<sup>1</sup>

The Group delivered 1H FY2021 sales of US\$40.4 million, with lower demand in America, Europe and Asia, offset by increased demand across the Rest of the World. The United States remains a significant market for the Group.

The challenges faced by the Group in the first half will continue to impact the Group's business throughout FY2021. Notwithstanding that, the Group believes Global Invacom's products have a key role to play in the provision of this connectivity as restrictions ease across territories, supply chains recover, and demand starts to normalise.

**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the six months ended 30 June 2021.

**7. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPTs mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate for IPTs for the six months ended 30 June 2021.

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<sup>1</sup> fortunebusinessinsights.com/satellite-communication-satcom-market-102679

**F. Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

**CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the "Company"), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the six months ended 30 June 2021 to be false or misleading in any material aspect.

**CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

Global Invacom Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**On behalf of the Board**

**Anthony Brian Taylor**  
Executive Director

**Gordon Blaikie**  
Executive Director

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BY ORDER OF THE BOARD  
Anthony Brian Taylor  
Executive Chairman

13 August 2021

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.