

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

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GLOBAL INVACOM GROUP LIMITED

Securities

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Please see attached.

Additional Details

For Financial Period Ended

30/06/2023

Attachments

[20230811_1H FY2023 Results.pdf](#)

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For The Six Months Ended 30 June 2023

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A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group		
	1H FY2023 US\$'000	1H FY2022 US\$'000	Increase/ (Decrease) %
Revenue	31,338	37,420	(16.3)
Cost of sales	(23,031)	(30,051)	(23.4)
Gross profit	8,307	7,369	12.7
Other income	432	37	N.M.
Distribution costs	(113)	(156)	(27.6)
Administrative expenses	(8,518)	(8,106)	5.1
Research and development expenses	(1,847)	(1,969)	(6.2)
Other operating expenses	(194)	(257)	(24.5)
Finance costs	(174)	(171)	1.8
Loss before income tax	(2,107)	(3,253)	(35.2)
Income tax expense	(29)	(39)	(25.6)
Loss for the period	(2,136)	(3,292)	(35.1)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign subsidiaries	917	(19)	N.M.
Other comprehensive income/(loss) for the period, net of tax	917	(19)	N.M.
Total comprehensive loss for the period	(1,219)	(3,311)	(63.2)
Loss for the period attributable to:			
Equity holders of the Company	(2,136)	(3,289)	(35.1)
Non-controlling interests	-	(3)	(100.0)
	(2,136)	(3,292)	(35.1)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company	(1,219)	(3,308)	(63.1)
Non-controlling interests	-	(3)	(100.0)
	(1,219)	(3,311)	(63.2)

N.M.: Not Meaningful

B. Condensed Interim Statements of Financial Position

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	6,343	6,641	6	-
Right-of-use assets	2,314	3,095	-	41
Investments in subsidiaries	-	-	17,877	17,824
Goodwill	893	893	-	-
Intangible assets	1,280	1,417	-	-
Deferred tax assets	235	585	-	-
Other receivables and prepayments	54	54	-	-
	<u>11,119</u>	<u>12,685</u>	<u>17,883</u>	<u>17,865</u>
Current Assets				
Due from subsidiaries	-	-	2,009	2,499
Inventories	22,894	22,869	-	-
Trade receivables	12,384	10,011	-	-
Other receivables and prepayments	2,371	1,274	14,274	13,786
Tax receivables	190	167	-	-
Cash and cash equivalents	5,502	9,244	182	168
	<u>43,341</u>	<u>43,565</u>	<u>16,465</u>	<u>16,453</u>
Total assets	<u>54,460</u>	<u>56,250</u>	<u>34,348</u>	<u>34,318</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	60,423	60,423	74,240	74,240
Treasury shares	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	(26,326)	(25,160)	(38,388)	(38,472)
Equity attributable to owners of the Company	32,441	33,607	34,196	34,112
Non-controlling interests	(24)	(24)	-	-
Total equity	<u>32,417</u>	<u>33,583</u>	<u>34,196</u>	<u>34,112</u>
Non-current Liabilities				
Other payables	172	172	-	-
Lease liabilities	1,446	1,599	-	-
Deferred tax liabilities	211	684	-	-
	<u>1,829</u>	<u>2,455</u>	<u>-</u>	<u>-</u>
Current Liabilities				
Trade payables	11,672	10,006	-	-
Other payables	3,385	3,109	152	168
Borrowings	4,200	5,488	-	-
Lease liabilities	957	1,607	-	38
Provision for income tax	-	2	-	-
	<u>20,214</u>	<u>20,212</u>	<u>152</u>	<u>206</u>
Total liabilities	<u>22,043</u>	<u>22,667</u>	<u>152</u>	<u>206</u>
Total equity and liabilities	<u>54,460</u>	<u>56,250</u>	<u>34,348</u>	<u>34,318</u>

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
Balance as 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	-	-	-	-	4	-	49	-	53	-	53
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	14	-	(14)	-	-	-
Loss for the period	-	-	-	-	-	-	-	(2,136)	(2,136)	-	(2,136)
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	917	-	917	-	917
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	917	(2,136)	(1,219)	-	(1,219)
Balance as at 30 June 2023	60,423	(1,656)	(10,150)	6	765	(7,822)	1,547	(10,672)	32,441	(24)	32,417
Balance as at 1 January 2022	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,084)	4,229	47,384	(19)	47,365
Loss for the period	-	-	-	-	-	-	-	(3,289)	(3,289)	(3)	(3,292)
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(19)	-	(19)	-	(19)
Total other comprehensive loss for the period	-	-	-	-	-	-	(19)	(3,289)	(3,308)	(3)	(3,311)
Balance as at 30 June 2022	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,103)	940	44,076	(22)	44,054

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
Balance as at 1 January 2023	74,240	(1,656)	713	(4,481)	(2,506)	(32,198)	34,112
Share-based payments	-	-	53	-	-	-	53
Profit for the period	-	-	-	-	-	31	31
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	31	31
Balance as at 30 June 2023	74,240	(1,656)	766	(4,481)	(2,506)	(32,167)	34,196
Balance as at 1 January 2022	74,240	(1,656)	725	(4,481)	(2,506)	(24,200)	42,122
Loss for the period	-	-	-	-	-	(244)	(244)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(244)	(244)
Balance as at 30 June 2022	74,240	(1,656)	725	(4,481)	(2,506)	(24,444)	41,878

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H FY2023 US\$'000	1H FY2022 US\$'000
Cash Flows from Operating Activities		
Loss before income tax	(2,107)	(3,253)
Adjustments for:		
Depreciation of property, plant and equipment	788	895
Amortisation of intangible assets	140	141
Depreciation of right-of-use assets	777	847
Gain on disposal of property, plant and equipment	-	(5)
Allowance for inventory obsolescence	258	255
Impairment loss of trade receivables	-	175
Bad debts written back	(2)	-
Unrealised exchange loss/(gain)	906	(67)
Interest expense	174	171
Share-based payments	4	-
Operating cash flow before working capital changes	938	(841)
Changes in working capital:		
Inventories	(283)	337
Trade receivables	(2,367)	3,944
Other receivables and prepayments	(1,123)	(340)
Trade and other payables	1,622	(2,016)
Cash (used in)/generated from operating activities	(1,213)	1,084
Interest paid	(174)	(196)
Income tax paid	(8)	(122)
Net cash (used in)/generated from operating activities	(1,395)	766
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(205)	(251)
Proceeds from disposal of property, plant and equipment	-	5
Net cash used in investing activities	(205)	(246)
Cash Flows from Financing Activities		
Proceeds from borrowings	13,338	17,177
Repayment of borrowings	(14,626)	(17,583)
Principal payment of lease liabilities	(837)	(877)
Net cash used in financing activities	(2,125)	(1,283)
Net decrease in cash and cash equivalents	(3,725)	(763)
Cash and cash equivalents at the beginning of the period	9,244	10,771
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(17)	(8)
Cash and cash equivalents at the end of the period	5,502	10,000

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 2023 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 2023 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 2022.

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 2022, 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 2023. 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 2022.

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

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 2023.

4. Segment and Revenue Information

Prior to FY2023, 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.

4.1 Reportable segments

	VSAT US\$'000	Non-VSAT US\$'000	Group US\$'000
1H FY2023			
Revenue	19,084	12,254	31,338
Operating loss	(1,282)	(651)	(1,933)
Finance costs			(174)
Income tax expense			(29)
Loss for the period			(2,136)
Amortisation of intangible assets	113	27	140
Depreciation of property, plant and equipment	391	397	788
Depreciation of right-of-use assets	574	203	777
Addition to property, plant and equipment	68	137	205
Bad debts written back	-	(2)	(2)
Allowance for inventory obsolescence, net	251	7	258

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

4. Segment and Revenue Information (cont'd)

4.1 Reportable segments (cont'd)

	VSAT US\$'000	Non-VSAT US\$'000	Group US\$'000
Assets and liabilities			
Segment assets	28,596	25,190	53,786
<u>Unallocated assets</u>			
- Non-current assets			6
- Other receivables			61
- Deferred tax assets			235
- Cash and cash equivalents			182
- Tax receivables			190
Total assets			<u>54,460</u>
Segment liabilities	9,053	8,427	17,480
<u>Unallocated liabilities</u>			
- Other payables			152
- Deferred tax liabilities			211
- Borrowings			4,200
Total liabilities			<u>22,043</u>
1H FY2022			
Revenue	22,334	15,086	37,420
Operating loss	(1,644)	(1,438)	(3,082)
Finance costs			(171)
Income tax expense			(39)
Loss for the period			<u>(3,292)</u>
Amortisation of intangible assets	113	28	141
Depreciation of property, plant and equipment	479	416	895
Depreciation of right-of-use assets	607	240	847
Addition to property, plant and equipment	106	145	251
Impairment loss on trade receivables	-	175	175
Write-back of inventory obsolescence, net	228	27	255
Assets and liabilities			
Segment assets	41,179	27,523	68,702
<u>Unallocated assets</u>			
- Non-current assets			104
- Other receivables			57
- Deferred tax assets			1,780
- Cash and cash equivalents			325
- Tax receivables			218
Total assets			<u>71,186</u>
Segment liabilities	13,200	7,050	20,250
<u>Unallocated liabilities</u>			
- Other payables			422
- Deferred tax liabilities			646
- Borrowings			5,714
- Lease liabilities			100
Total liabilities			<u>27,132</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.

	Group	
	1H FY2023 US\$'000	1H FY2022 US\$'000
Principal geographical market		
<u>America</u>		
- Sale of goods	18,754	17,395
<u>Europe</u>		
- Sale of goods	7,950	11,488
<u>Asia</u>		
- Sale of goods	1,523	1,219
<u>Rest of the World</u>		
- Sale of goods	3,111	7,318
 Total	 <u>31,338</u>	 <u>37,420</u>
 Major product lines		
Sale of goods	<u>31,338</u>	<u>37,420</u>

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.

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 FY2023 US\$'000	1H FY2022 US\$'000
Interest expense	(174)	(171)
Gain on disposal of property, plant and equipment	-	5
(Loss)/Gain on foreign exchange	(194)	30
Impairment loss on trade receivables	-	(175)
Bad debts written back	2	-
Allowance for inventory obsolescence	(258)	(255)
Depreciation of property, plant and equipment	(788)	(895)
Depreciation of right-of-use assets	(777)	(847)
Amortisation of intangible assets	(140)	(141)

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 FY2023 US\$	1H FY2022 US\$
(a) Based on weighted average number of ordinary shares on issue; and	(0.79) cents	(1.21) cents
(b) On a fully diluted basis	(0.79) cents*	(1.21) cents*
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 2023 US\$	31 Dec 2022 US\$	30 Jun 2023 US\$	31 Dec 2022 US\$
Net asset value per ordinary share based on issued share capital	11.94 cents	12.37 cents	12.59 cents	12.56 cents
Total number of issued shares	271,662,227	271,662,227	271,662,227	271,662,227

9. Intangible Assets

	Trading name US\$'000	Intellectual property rights US\$'000	Capitalised development costs US\$'000	Total US\$'000
Group				
2023				
<u>Cost</u>				
Balance at 1 January	16	2,674	4,834	7,524
Currency realignment	-	14	-	14
Balance at 30 June	16	2,688	4,834	7,538
<u>Amortisation and impairment</u>				
Balance at 1 January	16	1,257	4,834	6,107
Amortisation charge	-	143	-	143
Currency realignment	-	8	-	8
Balance at 30 June	16	1,408	4,834	6,258
<u>Net book value</u>				
Balance at 30 June	-	1,280	-	1,280
2022				
<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

10. Goodwill

	Group	
	30 June 2023 US\$'000	31 December 2022 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	8,459	3,260
Impairment loss recognised during the period	-	5,199
Balance at the end of the period	8,459	8,459
Net carrying amount	893	893

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

10. Goodwill (cont'd)

10.1 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 2023 US\$'000	Group 31 December 2022 US\$'000
Satellite Communications		
- OnePath Networks Limited ("OPN") – Israel	893	893

11. 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
Group						
2023						
<u>Cost</u>						
Balance at 1 January	2,871	17,968	7,826	40	1,457	30,162
Currency realignment	-	244	1	-	154	399
Additions	-	110	95	-	-	205
Write-off	-	-	(14)	-	-	(14)
Disposals	-	-	(36)	-	(80)	(116)
Balance at 30 June	2,871	18,322	7,872	40	1,531	30,636
<u>Accumulated Depreciation</u>						
Balance at 1 January	970	13,793	7,385	40	1,333	23,521
Currency realignment	6	6	3	(1)	100	114
Depreciation charge	15	615	104	-	54	788
Write-off	-	-	(14)	-	-	(14)
Disposals	-	-	(36)	-	(80)	(116)
Balance at 30 June	991	14,414	7,442	39	1,407	24,293
<u>Net book value</u>						
Balance at 30 June	1,880	3,908	430	1	124	6,343
2022						
<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

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

11. Property, Plant and Equipment (cont'd)

	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
Company			
2023			
<u>Cost</u>			
Balance at 1 January and 30 June	211	80	291
Additions	6	-	6
Disposals	(36)	(80)	(116)
Balance at 1 January and 30 June	<u>181</u>	<u>-</u>	<u>181</u>
<u>Accumulated depreciation</u>			
Balance at 1 January	211	80	291
Depreciation charge	-	-	-
Disposals	(36)	(80)	(116)
Balance at 30 June	<u>175</u>	<u>-</u>	<u>175</u>
<u>Net book value</u>			
Balance at 30 June	<u>6</u>	<u>-</u>	<u>6</u>
2022			
<u>Cost</u>			
Balance at 1 January and 31 December	<u>211</u>	<u>80</u>	<u>291</u>
<u>Accumulated depreciation</u>			
Balance at 1 January	192	79	271
Depreciation charge	19	1	20
Balance at 31 December	<u>211</u>	<u>80</u>	<u>291</u>
<u>Net book value</u>			
Balance at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

12. Investment in Subsidiaries

	Company	
	30 Jun 2023 US\$'000	31 Dec 2022 US\$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	766	713
Currency realignment	130	130
Less: Allowance for impairment loss	(23,552)	(23,552)
	<u>17,877</u>	<u>17,824</u>
Movement in the allowance for impairment loss are as follows:		
At the beginning of the period	23,552	16,014
Impairment loss recognised during the period	-	7,538
At the end of the period	<u>23,552</u>	<u>23,552</u>

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

12. Investment in Subsidiaries (cont'd)

Allowance for impairment loss

(i) Global Invacom Manufacturing Pte Ltd ("GIMPL")

As at 30 June 2023 and 31 December 2022, 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 2023 and 31 December 2022, an allowance for impairment loss of US\$14,904,000 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.

13. Borrowings

Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 2023		As at 31 Dec 2022	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
4,200	-	5,488	-

Amount repayable after one year

As at 30 Jun 2023		As at 31 Dec 2022	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The revolving credit loans of US\$4,200,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

14. Share Capital

1H FY2023	No. of shares	US\$'000
Balance as at 1 Jan 2023 and 30 Jun 2023	271,662,227	72,584
1H FY2022	No. of shares	US\$'000
Balance as at 1 Jan 2022 and 30 Jun 2022	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 June 2023 and 30 June 2022 and there was no subsidiary holdings.

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

14. 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:

	30 Jun 2023	31 Dec 2022
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:

1H FY2023	No. of shares	US\$'000
Balance as at 1 Jan 2023 and 30 Jun 2023	<u>10,740,072</u>	<u>1,656</u>

15. 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 2023 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 2023 ("1H FY2023") decreased by 16.3% to US\$31.3 million from US\$37.4 million in the prior year ("1H FY2022"). The market requirement for our products has been impacted by the ongoing delays to the launch of satellites, resulting in a delay to demand for some of our legacy products, and in bringing new products to market.

Geographically, the Group's revenue for 1H FY2023 increased in America and Asia by US\$1.3 million (+7.8%) and US\$0.3 million (+24.9%), respectively, offset by a decrease in Europe and Rest of the World by US\$3.5 million (-30.8%) and US\$4.2 million (-57.5%), respectively.

Gross Profit

Despite the decrease in revenue, gross profit has increased by 12.7% to US\$8.3 million in 1H FY2023 from US\$7.4 million in 1H FY2022. Gross profit margin has increased by 6.8 percentage points from 19.7% to 26.5%, due to increased business focus on product mix.

Other Income

Other income in 1H FY2023 was primarily from the sale of the Group's 49% investment in Fibre TV to Home Limited, for a total consideration, including repayment of loan, of US\$372,000.

Administrative and Research and Development Expenses

Administrative expenses, together with research and development expenses, for 1H FY2023 increased 2.9% to US\$10.4 million compared to US\$10.1 million in 1H FY2022, representing 33.1% and 26.9% of revenue, respectively. In Q3 FY2022, the Group commenced a comprehensive review of its operations, with the help of external professionals, to assess the Group's assets and cost base to streamline certain core functions. This has resulted in an increase in professional fees and other related costs.

Other Operating Expenses

Other operating expenses in 1H FY2023 and 1H FY2022 were attributed mainly to foreign exchange losses.

Profit Before Tax & Net Profit

The Group posted a loss and net loss before tax of US\$2.1 million in 1H FY2023, compared to a loss and net loss before tax of US\$3.3 million in 1H FY2022.

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\$1.6 million to US\$11.1 million as at 30 June 2023, due to the depreciation of plant and equipment, the right-of-use assets, the amortisation of intangible assets and the reduction of deferred tax assets.

Net current assets decreased by US\$0.2 million to US\$23.1 million as at 30 June 2023 compared to US\$23.3 million as at 31 December 2022. Trade and other receivables increased by US\$3.5 million due to slower collections, whilst trade and other payables increased by US\$2.0 million with controlled payments to suppliers. Tax receivables were steady at US\$0.2 million as at 30 June 2023.

Cash and cash equivalents decreased by US\$3.7 million to US\$5.5 million as at 30 June 2023 from US\$9.2 million at 31 December 2022, and borrowings decreased by US\$1.3 million to US\$4.2 million as at 30 June 2023 from US\$5.5 million as at 31 December 2022. The repayment of leases has resulted in a decrease of US\$0.7 million in the current portion of lease liabilities.

Non-current liabilities decreased by US\$0.6 million to US\$1.8 million as at 30 June 2023, resulting from the repayment of non-current portion of the lease liabilities and the reduction of deferred tax liabilities.

The Group's net asset value stood at US\$32.4 million as at 30 June 2023, compared to US\$33.6 million as at 31 December 2022.

2.3 Review of Cash Flows

In 1H FY2023, net cash used in operating activities amounted to US\$1.4 million, comprising US\$0.9 million cash inflow from operating activities (before working capital changes), US\$2.1 million net working capital outflow and US\$0.2 million payment of interest and income tax.

Net cash used in investing activities in 1H FY2023 amounted to US\$0.2 million, mainly due to the purchase of machinery and equipment.

Net cash used in financing activities amounted to US\$2.1 million in 1H FY2023, attributable to the repayment of borrowings and lease liabilities.

Overall, the Group recorded a net decrease in cash and cash equivalents amounting to US\$3.7 million in 1H FY2023, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$5.5 million as at 30 June 2023.

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.

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.

As we articulated in 2022, there has been continued supply chain disruption experienced in the satellite communications sector as we entered 2023. As a designer, manufacturer, and provider of technologically advanced satellite communication products to an international customer base, this disruption has inevitably resulted in challenging trading conditions for the Group. Despite customers continuing to delay the purchase of some products with delays to launch schedules, the Group moved quickly to optimise efficiencies at our US manufacturing facilities, which has resulted in a slight improvement in our net loss from FY2022.

Nevertheless, the Group continued to develop innovative products to further expand its diverse portfolio of satellite communications devices. Recognising the growing need for Non-Geostationary Orbit (“NGSO”) antenna platforms, Global Invacom announced the development of Titan in 1H FY2023, its latest multi-constellation and multi-band gateway antenna platform, which uses an ultra-robust lightweight carbon fibre composite and provides operators with deployment flexibility and uncompromised performance. The Group also continues to develop the Obliquiti NGSO, a new Low Earth Orbit (“LEO”) and Medium Earth Orbit (“MEO”) platform for broadband and narrowband use. It is suitable for fixed, nomadic and mobile applications, and equipped with SatSenz, the Group’s AI-based software for satellite acquisition, tracking and switching.

In Q3 FY2022, the Group announced a strategic review to assess the Group’s existing corporate and operational structure, streamline core functions and reduce the cost base of the business. Having now implemented certain parts of our strategic plan, we have seen the immediate benefits of this long-term strategy. The Board’s strategic review remains ongoing.

Looking more broadly at the market, we continue to see increasing demand for satellite communication systems, driven by demand for data and connectivity globally. A recent report shows that the number of global Internet of Things (“IoT”) connections grew by 18% in 2022 to 14.3 billion active IoT endpoints, with a further 16% growth expected in 2023¹. Furthermore, there is increasing awareness of the need for mission critical communications systems which are able to maintain communications when land-based infrastructure is disrupted or unable to cope with challenging geographical terrain.

The Company remains focused on supporting its research and development team to ensure the Group is well-placed to continue to deliver cutting-edge, market-leading products, thereby maintaining its position as a technological pioneer, supporting the ever-growing satellite industry. We are building the right team to continue to deliver best-in-class solutions, and to work alongside customers to respond to specific demands and requirements, cementing our role as an integral equipment provider and partner in the satellite communications ecosystem.

¹ <https://iot-analytics.com/number-connected-iot-devices/#:~:text=The%20latest%20IoT%20Analytics%20%E2%80%9CState,to%2016.7%20billion%20active%20endpoints.>

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

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/recommendeded, 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 2023.

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 2023.

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 2023 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

Wayne Robert Porritt
Independent Non-Executive Chairman

Gordon Blaikie
Executive Director

BY ORDER OF THE BOARD
Wayne Robert Porritt
Independent Non-Executive Chairman

11 August 2023

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

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law.



Global Invacom Group Limited
("Global Invacom", the "Company" or the "Group")

Half year results for the six months ended 30 June 2023

Singapore/London, 11 August 2023 - Global Invacom (SGX: QS9) (AIM: GINV), the global provider of satellite communications equipment and electronics, announces its financial results for the six months ended 30 June 2023 ("1H FY2023").

The Group continues to see some lag in demand for certain legacy products as a result of delays to launch schedules which are being seen across the industry. This, alongside continued supply chain issues, has resulted in the Group recording a net loss after tax for the year. However due to increased business focus on product mix, gross profit improved.

Key financial highlights:

- Revenue for 1H FY2023 decreased 16.3% to US\$31.3 million (1H FY2022: US\$37.4 million)
- Gross profit increased 12.7% to US\$8.3 million (1H FY2022: US\$7.4 million)
- Gross profit margin increased to 26.5% (1H FY2022: 19.7%)
- Net loss after tax of US\$2.1 million (1H FY2022: US\$3.3 million)
- Cash and cash equivalents of US\$5.5 million at 30 June 2023 (30 December 2022: US\$9.2 million)

Key operational highlights:

- Sustained focus on development and launch of market-leading products to respond to client and sector demands
- Management is pleased to report that we have started to ship our new XRJ Ka Band transceiver product to customers. Whilst the completion of the manufacturing process has taken longer than initially planned, which has impacted 1H sales levels, we continue to see encouraging levels of market interest for the product
- Development of two new non-geostationary gateway antenna ("NGSO") products in the period:
 - Titan, the Group's latest multi-constellation and multi-band gateway antenna platform for permanent or temporary deployment
 - Obliquiti, a new Low Earth Orbit ("LEO") and Medium Earth Orbit ("MEO") platform for broadband and narrowband use, equipped with AI-based software for satellite acquisition, tracking and switching
- Delays to launches across the satellite industry have resulted in customers postponing orders for certain legacy products, which has had an impact on trading in the first half of the year

- Whilst pressures on global supply chains have started to ease, there remains pressure on the semiconductors supply chain, which has impacted on the Company's revenue generation capabilities
- We are starting to see the benefits of the strategic review, which was announced in Q3 FY2022, with progress made in stabilising our operations and streamlining core functions
- The Board strategic review remains ongoing, as it continues to assess the Group's existing corporate and operational structure, the Company's cost base, and to streamline certain core functions in order to maximise stakeholder returns in the medium term

There has been continued supply chain disruption experienced in the satellite communications sector. As a designer, manufacturer, and provider of technologically advanced satellite communication products to an international customer base, this disruption has inevitably resulted in sustained challenging trading conditions for the Group. Despite customers continuing to delay the purchase of some products and with postponements to launch schedules, the Group moved quickly to optimise efficiencies at our US manufacturing facilities, which has resulted in an improvement in our net loss compared to 1H FY2022. We envisage these challenging macro-economic dynamics will be present for some time to come, and remain focused on mitigating these pressures while ensuring the Group is well poised to respond to customer demands and requirements for new products.

Despite the continued headwinds, the Group has made progress in 1H FY2023 with gross profit increasing 12.7% to US\$8.3 million, and delivering a 6.8 percentage points improvement in gross profit margin to 26.5%, driven by increased business focus on product mix.

Our research and development ("R&D") team continue to bring new products to market in response to customer demands and on the assessment of the broader marketplace. The Group's latest multi-constellation and multi-band gateway antenna, Titan, was developed in the first half of the year. Titan is a NGSO which uses an ultra-robust lightweight carbon fibre composite and provides operators with deployment flexibility and uncompromised performance. During the period the Group also continued to develop the Obliquiti NGSO, a novel platform for broadband and narrowband use. Obliquiti is suitable for fixed, nomadic and mobile applications, and is equipped with SatSenz, the Group's AI-based software for satellite acquisition, tracking and switching.

We continue to see increasing demand for satellite communication systems, driven by growth in the demand for data and connectivity globally. A recent report shows that the number of global Internet of Things ("IoT") connections grew by 18% in 2022 to 14.3 billion active IoT endpoints, with a further 16% growth expected in 2023¹. Furthermore, there is increasing awareness of the need for mission critical communications systems which are able to maintain communications when land-based infrastructure is disrupted or unable to cope with challenging geographical terrain.

The Company remains focused on enhancing its R&D team to ensure the Group is well-placed to deliver cutting-edge, market-leading products, and thereby maintaining its position as a technological pioneer, supporting the ever-growing satellite industry. We are building the right team to continue to deliver best-in-class solutions, and to work alongside customers to respond to specific demands and requirements, cementing our role as an integral equipment provider and partner in the satellite communications ecosystem.

¹ <https://iot-analytics.com/number-connected-iot-devices/#:~:text=The%20latest%20IoT%20Analytics%20%E2%80%9CState,to%2016.7%20billion%20active%20endpoints.>

Outlook

Due to the continued pressures in the broader trading environment, the current financial year is expected to continue to be challenging for the Group.

The Board strategic review remains ongoing, as it continues to assess the Group's existing corporate and operational structure, and to streamline certain core functions, whilst seeking to secure new markets and customers and maximise stakeholder returns in the medium term.

Gordon Blaikie, Interim Chief Executive Officer of Global Invacom, commented:

“We continue to make steady progress, as we have focused our attentions on situations under our control, which – alongside our ongoing strategic review – has resulted in delivering an improved gross profit for the first half of the year.

“We are cognisant of market demands, and the need to develop and launch new products and have seen our R&D team develop exciting new NGSO products for the market.

“Whilst the market continues to experience delays to satellite launches, we are now seeing signs of renewed customer activity and an acceleration of timetables. We remain committed to our technology and working with our partners to ensure we are an integral part of the supply chain process.

“The Board and management would like to thank the entire team at Global Invacom for their continued efforts and dedication to the business, without whom we would not be able to deliver the quality of products required for such a demanding environment.”

For further information, please contact:

Global Invacom Group Limited

Gordon Blaikie, Interim Chief Executive Officer

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About Global Invacom Group Limited

Global Invacom Group comprises a number of companies specialising in innovative technology, products and solutions for the satellite ground equipment sector. Uniquely, the Group provides fully integrated manufacturing for most of its product lines providing additional quality and supply chain assurance to a global blue-chip customer base in the satellite communications, satellite TV and satellite navigation markets.

The Group has an established global presence with sales offices, research and development centres and manufacturing facilities across the world, including Singapore, China, Indonesia, the Philippines, Malaysia, Israel, the UK, and the USA.

Global Invacom is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and its shares are admitted to trading on the AIM Market of the London Stock Exchange.

For more information, please refer to www.globalinvacom.com