



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the Six Months and Full Year Ended 31 December 2023

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A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			Group		
	2H FY2023 US\$'000	2H FY2022 US\$'000	Increase/ (Decrease) %	FY2023 US\$'000	FY2022 US\$'000	Increase/ (Decrease) %
Revenue	33,059	35,349	(6.5)	64,397	72,769	(11.5)
Cost of sales	(25,508)	(29,303)	(13.0)	(48,539)	(59,354)	(18.2)
Gross profit	7,551	6,046	24.9	15,858	13,415	18.2
Other income	4,278	9	N.M.	4,662	46	N.M.
Distribution costs	(101)	(98)	3.1	(214)	(254)	(15.7)
Administrative expenses	(9,159)	(7,379)	24.1	(17,677)	(15,485)	14.2
Research and development expenses	(2,322)	(1,741)	33.4	(4,169)	(3,710)	12.4
Impairment of goodwill	-	(5,199)	(100.0)	-	(5,199)	(100.0)
Other operating expenses	(26)	(2,654)	(99.0)	(172)	(2,911)	(94.1)
Finance costs	(32)	(307)	(89.6)	(206)	(478)	(56.9)
Profit/(Loss) before income tax	189	(11,323)	N.M.	(1,918)	(14,576)	(86.8)
Income tax credit/(expense)	980	(917)	N.M.	951	(956)	N.M.
Profit/(Loss) for the period/year	1,169	(12,240)	N.M.	(967)	(15,532)	(93.8)
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss						
- Exchange differences on translation of foreign subsidiaries	(640)	1,685	N.M.	277	1,666	(83.4)
Other comprehensive (loss)/income for the period/year, net of tax	(640)	1,685	N.M.	277	1,666	(83.4)
Total comprehensive income/(loss) for the period/year	529	(10,555)	N.M.	(690)	(13,866)	(95.0)
Profit/(Loss) for the period/year attributable to:						
Equity holders of the Company	1,173	(12,238)	N.M.	(963)	(15,527)	(93.8)
Non-controlling interests	(4)	(2)	100.0	(4)	(5)	(20.0)
	1,169	(12,240)	N.M.	(967)	(15,532)	(93.8)
Total comprehensive income/(loss) for the period/year attributable to:						
Equity holders of the Company	533	(10,553)	N.M.	(686)	(13,861)	(95.1)
Non-controlling interests	(4)	(2)	100.0	(4)	(5)	(20.0)
	529	(10,555)	N.M.	(690)	(13,866)	(95.0)

N.M.: Not Meaningful

B. Condensed Interim Statements of Financial Position

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	5,651	6,641	5	-
Right-of-use assets	1,796	3,095	-	41
Investments in subsidiaries	-	-	17,909	17,824
Goodwill	893	893	-	-
Intangible assets	1,137	1,417	-	-
Deferred tax assets	625	585	-	-
Other receivables and prepayments	54	54	-	-
	10,156	12,685	17,914	17,865
Current Assets				
Due from subsidiaries	-	-	3,594	2,499
Inventories	19,882	22,869	-	-
Trade receivables	11,052	10,011	-	-
Other receivables and prepayments	1,700	1,274	14,948	13,786
Tax receivables	976	167	-	-
Cash and cash equivalents	10,795	9,244	253	168
	44,405	43,565	18,795	16,453
Total assets	54,561	56,250	36,709	34,318
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	(25,763)	(25,160)	(38,622)	(38,472)
Equity attributable to owners of the Company	33,004	33,607	33,962	34,112
Non-controlling interests	(28)	(24)	-	-
Total equity	32,976	33,583	33,962	34,112
Non-current Liabilities				
Other payables	162	172	-	-
Lease liabilities	399	1,599	-	-
Deferred tax liabilities	297	684	-	-
	858	2,455	-	-
Current Liabilities				
Due to subsidiaries	-	-	2,478	-
Trade payables	12,026	10,006	-	-
Other payables	3,979	3,109	269	168
Borrowings	3,232	5,488	-	-
Lease liabilities	1,490	1,607	-	38
Provision for income tax	-	2	-	-
	20,727	20,212	2,747	206
Total liabilities	21,585	22,667	2,747	206
Total equity and liabilities	54,561	56,250	36,709	34,318

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	(Accumulated losses)/ 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
Share-based payments	-	-	-	-	31	-	-	-	31	-	31
Profit for the period	-	-	-	-	-	-	-	1,173	1,173	(4)	1,169
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(641)	-	(641)	-	(641)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(641)	1,173	532	(4)	528
Balance as at 31 December 2023	60,423	(1,656)	(10,150)	6	796	(7,822)	906	(9,499)	33,004	(28)	32,976
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
Share-based payments	-	-	-	-	36	-	(1)	49	84	-	84
De-registration of a subsidiary	-	-	-	-	-	(2,727)	-	2,727	-	-	-
Loss for the period	-	-	-	-	-	-	-	(12,238)	(12,238)	(2)	(12,240)
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	1,685	-	1,685	-	1,685
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	1,685	(12,238)	(10,553)	(2)	(10,555)
Balance as at 31 December 2022	60,423	(1,656)	(10,150)	6	761	(7,836)	581	(8,522)	33,607	(24)	33,583

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
Share-based payments	-	-	31	-	-	-	31
Loss for the period	-	-	-	-	-	(265)	(265)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(265)	(265)
Balance as at 31 December 2023	74,240	(1,656)	797	(4,481)	(2,506)	(32,432)	33,962
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
Share-based payments	-	-	(12)	-	-	-	(12)
Loss for the period	-	-	-	-	-	(7,754)	(7,754)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(7,754)	(7,754)
Balance as at 31 December 2022	74,240	(1,656)	713	(4,481)	(2,506)	(32,198)	34,112

D. Condensed Interim Consolidated Statement of Cash Flows

	Group		Group	
	2H FY2023	2H FY2022	FY2023	FY2022
	US\$'000	US\$'000	US\$'000	US\$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	189	(11,323)	(1,918)	(14,576)
Adjustments for:				
Depreciation of property, plant and equipment	731	854	1,519	1,749
Amortisation of intangible assets	145	137	285	278
Depreciation of right-of-use assets	773	760	1,550	1,607
(Gain)/Loss on disposal of property, plant and equipment	(4,138)	278	(4,138)	273
Allowance of inventory obsolescence, net	117	611	375	866
Impairment loss on trade receivables	-	-	-	140
Unrealised exchange (gain)/loss	(608)	(884)	298	(951)
Interest expense	32	307	206	478
Share-based payments	31	36	35	36
Bad debts written back	(145)	(35)	(147)	-
Gain on lease modifications	-	(125)	-	(125)
Impairment of goodwill	-	5,199	-	5,199
Loss on de-registration of a subsidiary relating to foreign exchange	-	2,343	-	2,343
Operating cash flow before working capital changes	(2,873)	(1,842)	(1,935)	(2,683)
Changes in working capital:				
Inventories	2,895	1,692	2,612	2,029
Trade receivables	1,475	2,323	(892)	6,267
Other receivables and prepayments	736	1,694	(387)	1,354
Trade and other payables	988	(3,446)	2,610	(5,462)
Cash generated from operating activities	3,221	421	2,008	1,505
Interest paid	(191)	(26)	(365)	(222)
Income tax paid	(2)	(4)	(10)	(126)
Net cash generated from operating activities	3,028	391	1,633	1,157
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(519)	(219)	(724)	(470)
Proceeds from disposal of property, plant and equipment	4,420	3	4,420	8
Net cash generated from/(used in) investing activities	3,901	(216)	3,696	(462)
Cash Flows from Financing Activities				
Proceeds from borrowings	6,369	18,624	19,707	35,801
Repayment of borrowings	(7,337)	(18,850)	(21,963)	(36,433)
Principal repayment of lease liabilities	(690)	(704)	(1,527)	(1,581)
Net cash used in financing activities	(1,658)	(930)	(3,783)	(2,213)
Net increase/(decrease) in cash and cash equivalents	5,271	(755)	1,546	(1,518)
Cash and cash equivalents at the beginning of the period/year	5,502	10,000	9,244	10,771
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	22	(1)	5	(9)
Cash and cash equivalents at the end of the period/year	10,795	9,244	10,795	9,244

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”). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 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 and full year ended 31 December 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, 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 and full year ended 31 December 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
FY2023			
Revenue	21,299	43,098	64,397
Operating loss	(816)	(896)	(1,712)
Finance costs			(206)
Income tax credit			951
Loss for the year			(967)
Amortisation of intangible assets	238	47	285
Depreciation of property, plant and equipment	557	962	1,519
Depreciation of right-of-use assets	495	1,055	1,550
Addition to property, plant and equipment	158	566	724
Bad debts written back	-	(147)	(147)
Allowance for inventory obsolescence, net	71	304	375

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	18,780	33,827	52,607
<u>Unallocated assets</u>			
- Non-current assets			5
- Other receivables			95
- Deferred tax assets			625
- Cash and cash equivalents			253
- Tax receivables			976
Total assets			<u>54,561</u>
Segment liabilities	5,365	12,422	17,787
<u>Unallocated liabilities</u>			
- Other payables			269
- Deferred tax liabilities			297
- Borrowings			3,232
Total liabilities			<u>21,585</u>
FY2022			
Revenue	24,639	48,130	72,769
Operating loss	(1,941)	(12,157)	(14,098)
Finance costs			(478)
Income tax expense			(956)
Loss for the year			<u>(15,532)</u>
Amortisation of intangible assets	230	48	278
Depreciation of property, plant and equipment	606	1,143	1,749
Depreciation of right-of-use assets	513	1,094	1,607
Addition to property, plant and equipment	227	243	470
Impairment of goodwill	-	5,199	5,199
Impairment loss on trade receivables	-	140	140
Gain on lease modifications	(2)	(123)	(125)
Allowance for inventory obsolescence, net	217	649	866
Loss on de-registration of a subsidiary relating to foreign exchange	-	2,343	2,343
Assets and liabilities			
Segment assets	21,260	33,835	55,095
<u>Unallocated assets</u>			
- Other receivables			85
- Deferred tax assets			585
- Cash and cash equivalents			168
- Tax receivables			167
- Right-of-use assets			150
Total assets			<u>56,250</u>
Segment liabilities	5,470	10,777	16,247
<u>Unallocated liabilities</u>			
- Other payables			208
- Provision for income tax			2
- Deferred tax liabilities			684
- Borrowings			5,488
- Lease liabilities			38
Total liabilities			<u>22,667</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		Group	
	2H FY2023 US\$'000	2H FY2022 US\$'000	FY2023 US\$'000	FY2022 US\$'000
Principal geographical market				
<u>America</u>				
- Sale of goods	18,509	22,861	37,263	40,256
<u>Europe</u>				
- Sale of goods	10,093	7,949	18,043	19,437
<u>Asia</u>				
- Sale of goods	1,227	1,155	2,750	2,374
<u>Rest of the World</u>				
- Sale of goods	3,230	3,384	6,341	10,702
Total	33,059	35,349	64,397	72,769
Major product lines				
Sale of goods	33,059	35,349	64,397	72,769

The Group recognises revenue from sale of goods at a point in time, when the Group satisfies a performance obligation and the customers obtain control of the goods.

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

5. Financial Assets and Financial Liabilities

5.1 Significant Items

	Group		Group	
	2H FY2023 US\$'000	2H FY2022 US\$'000	FY2023 US\$'000	FY2022 US\$'000
Interest expense	(32)	(307)	(206)	(478)
Impairment of goodwill	-	(5,199)	-	(5,199)
Loss on de-registration of a subsidiary relating to foreign exchange	-	(2,343)	-	(2,343)
Gain/(Loss) on disposal of property, plant and equipment	4,138	(278)	4,138	(273)
Gain on lease modifications	-	125	-	125
Write-back/(Impairment loss) on trade receivables	145	35	147	(140)
Gain/(Loss) on foreign exchange	26	177	(172)	(88)
Allowance of inventory obsolescence	(117)	(611)	(375)	(866)
Depreciation of property, plant and equipment	(731)	(854)	(1,519)	(1,749)
Depreciation of right-of-use assets	(773)	(760)	(1,550)	(1,607)
Amortisation of intangible assets	(145)	(137)	(285)	(278)
Operating lease expense	(48)	(12)	(75)	(22)

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/(Loss) Per Share

Earnings/(Loss) per ordinary share of the Group, after deducting any provision for preference dividends	Group		Group	
	2H FY2023 US\$	2H FY2022 US\$	FY2023 US\$	FY2022 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.43 cents	(4.50) cents	(0.35) cents	(5.72) cents
(b) On a fully diluted basis	0.43 cents*	(4.50) cents*	(0.35) cents*	(5.72) cents*
Weighted average number of ordinary shares used in computation of basic earnings per share	271,662,227	271,662,227	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	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	
	31 Dec 2023 US\$	31 Dec 2022 US\$	31 Dec 2023 US\$	31 Dec 2022 US\$
Net asset value per ordinary share based on issued share capital	12.15 cents	12.37 cents	12.50 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 and 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	1,257	4,834	6,107
Amortisation charge	-	285	-	285
Currency realignment	-	(5)	-	(5)
Balance at 31 December	16	1,537	4,834	6,387
<u>Net book value</u>				
Balance at 31 December	-	1,137	-	1,137
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	
	31 December 2023 US\$'000	31 December 2022 US\$'000
<u>Cost</u>		
Balance at the beginning and end of the year	9,352	9,352
<u>Allowance for impairment loss</u>		
Balance at the beginning of the year	8,459	3,260
Impairment loss recognised during the year	-	5,199
Balance at the end of the year	8,459	8,459
Net carrying amount	893	893

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:

	Group	
	31 December 2023 US\$'000	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	Motor vehicles US\$'000	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
Group						
2023						
<u>Cost</u>						
Balance at 1 January	2,871	17,968	40	7,826	1,457	30,162
Currency realignment	-	45	-	1	157	203
Additions	-	580	-	116	28	724
Write-off	-	-	-	(15)	-	(15)
Disposals	-	(2,047)	-	(39)	(111)	(2,197)
Balance at 31 December	2,871	16,546	40	7,889	1,531	28,877
<u>Accumulated depreciation</u>						
Balance at 1 January	970	13,793	40	7,385	1,333	23,521
Currency realignment	7	7	-	2	100	116
Depreciation charge	30	1,214	-	212	63	1,519
Write-off	-	-	-	(15)	-	(15)
Disposals	-	(1,796)	-	(39)	(80)	(1,915)
Balance at 31 December	1,007	13,218	40	7,545	1,416	23,226
Balance at 31 December	1,864	3,328	-	344	115	5,651
2022						
<u>Cost</u>						
Balance at 1 January	2,871	17,907	40	7,813	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	40	7,826	1,457	30,162
<u>Accumulated depreciation</u>						
Balance at 1 January	960	12,523	40	7,244	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	40	7,385	1,333	23,521
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	211	80	291
Additions	6	-	6
Disposals	(39)	(80)	(119)
Balance at 31 December	<u>178</u>	<u>-</u>	<u>178</u>
<u>Accumulated depreciation</u>			
Balance at 1 January	211	80	291
Depreciation charge	1	-	1
Disposals	(39)	(80)	(119)
Balance at 31 December	<u>173</u>	<u>-</u>	<u>173</u>
<u>Net book value</u>			
Balance at 31 December	<u>5</u>	<u>-</u>	<u>5</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	
	31 Dec 2023 US\$'000	31 Dec 2022 US\$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	797	713
Currency realignment	131	130
Less: Allowance for impairment loss	(23,552)	(23,552)
	<u>17,909</u>	<u>17,824</u>
Movement in the allowance for impairment loss are as follows:		
At the beginning of the year	23,552	16,014
Impairment loss recognised during the year	-	7,538
At the end of the year	<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 31 December 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 was considered to be Level 3 in the fair value hierarchy.

(ii) Global Invacom Holdings Limited and its subsidiaries ("GIHL Group")

As at 31 December 2023 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 31 Dec 2023		As at 31 Dec 2022	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
3,232	-	5,488	-

Amount repayable after one year

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

The revolving credit loans of US\$3,232,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

14. Share Capital

FY2023	No. of shares	US\$'000
Balance as at 1 Jan 2023 and 31 Dec 2023	271,662,227	72,584
FY2022	No. of shares	US\$'000
Balance as at 1 Jan 2022 and 31 Dec 2022	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 31 December 2023 and 31 December 2022 and there were 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:

	31 Dec 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:

FY2023	No. of shares	US\$'000
Balance as at 1 Jan 2023 and 31 Dec 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 interim consolidated statement of financial position of Global Invacom Group Limited and its subsidiaries as at 31 December 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period and full year 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 year ended 31 December 2023 ("FY2023") decreased by 11.5% to US\$64.4 million from US\$72.8 million in the prior year ("FY2022"). Revenue for the second half of the year ended 31 December 2023 ("2H FY2023") was US\$33.1 million against US\$35.3 million in the prior year ("2H FY2022").

Geographically, Group revenue for FY2023 decreased in America, Europe and Rest of the World ("RoW") by US\$3.0 million (-7.4%), US\$1.4 million (-7.2%) and US\$4.4 million (-40.7%), respectively and increased in Asia by US\$0.4 million (+15.8%). Revenue for 2H FY2023 decreased in America and RoW by US\$4.4 million (-19.0%) and US\$0.2 million (-4.6%), respectively, compensated by an increase in Europe and Asia by US\$2.1 million (+27.0%) and US\$0.01 million (+6.2%), respectively, compared to the prior year.

Gross Profit

Despite the decrease in revenue by 11.5%, gross profit increased from US\$13.4 million in FY2022 to US\$15.9 million in FY2023. Gross profit margin has increased by 6.2 percentage points from 18.4% to 24.6%.

Similarly, gross profit increased from US\$6.0 million in 2H FY2022 to US\$7.6 million in 2H FY2023. Gross profit margin has increased by 5.7 percentage points from 17.1% to 22.8%.

Other Income

Other income in 2H FY2023 and FY2023 relates primarily to the gain on the sale of machinery relating to the semi moulded compound manufacturing activities in the Group's US subsidiary.

Administrative and Research and Development Expenses

Administrative expenses, together with research and development expenses, for FY2023 increased 13.8% to US\$21.8 million compared to US\$19.2 million in FY2022, representing 33.9% and 26.4% of revenue, respectively as a result of higher professional and advisor fees to streamline certain core functions across the Group. For 2H FY2023, administrative and research and development expenses, increased 25.9% to US\$11.5 million compared to US\$9.1 million in the previous year, representing 34.7% and 25.8% of revenue, respectively.

Impairment of Goodwill and Other Operating Expenses

The impairment charge in 2H FY2022 and FY2022 was attributed to a goodwill impairment of US\$5.2 million, which is non-cash in nature, related to the performance of the Group's US subsidiary. The other operating expenses in 2H FY2022 and FY2022 arose to a one-time foreign exchange loss on the completion of de-registration of the Shanghai subsidiary in 2022.

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

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

2.1 Review of Financial Performance (cont'd)

Profit Before Tax & Net Profit

The Group posted a loss before tax of US\$1.9 million in FY2023, compared to a loss before tax of US\$14.6 million the prior year, representing a negative margin of 3.0% and 20.0%, respectively. For 2H FY2023, the Group recorded a profit before tax of US\$0.2 million compared to a loss before tax of US\$11.3 million in 2H FY2022, representing a margin of 0.6% compared to a negative margin of 32.0%.

Similar to prior year, the Group received research and development tax credits from the UK Government.

Overall, the Group recorded a net loss of US\$1.0 million in FY2023, compared to a net loss of US\$15.5 million the prior year, representing a negative margin of 1.5% and 21.3%, respectively. For 2H FY2023, the Group recorded a net profit of US\$1.2 million compared to a net loss of US\$12.2 million in the prior year, representing a margin of 3.5% compared to a negative margin of 34.6%.

2.2 Review of Financial Position

Non-current assets decreased by US\$2.5 million to US\$10.2 million as at 31 December 2023, due to the depreciation of plant and equipment, the right-of-use assets, the amortisation of intangible assets and the decrease in deferred tax assets.

Net current assets increased by US\$0.3 million to US\$23.7 million as at 31 December 2023 compared to US\$23.4 million as at 31 December 2022. With the decrease in revenue, inventories have decreased by US\$3.0 million. This was offset by the increase in trade and other receivables and trade and other payables by US\$1.5 million and US\$2.9 million respectively. Tax receivables increased by US\$0.9 million to US\$1.0 million as at 31 December 2023.

Cash and cash equivalents increased by US\$1.6 million to US\$10.8 million as at 31 December 2023 from US\$9.2 million at 31 December 2022, and borrowings decreased by US\$2.3 million to US\$3.2 million as at 31 December 2023 from US\$5.5 million as at 31 December 2022. The current portion of the lease liabilities decreased by US\$0.1 million to US\$1.5 million as at 31 December 2023.

With the repayment of leases, the non-current portion of the lease liabilities decreased by US\$1.2 million to US\$0.4 million as at 31 December 2023.

The Group's net asset value stood at US\$33.0 million as at 31 December 2023, compared to US\$33.6 million as at 31 December 2022.

2.3 Review of Cash Flows

In 2H FY2023, net cash generated from operating activities was US\$3.0 million, comprising US\$2.9 million cash outflow from operating activities (before working capital changes) and US\$6.1 million net working capital inflow and US\$0.2 million payment of interest and income tax.

In FY2023, net cash generated from operating activities was US\$1.6 million, comprising US\$2.0 million cash outflow from operating activities (before working capital changes), US\$4.0 million net working capital inflow and US\$0.4 million payment of interest and income tax.

Net cash generated from investing activities in 2H FY2023 and FY2023 amounted to US\$3.9 million and US\$3.7 million, respectively, relating predominately to the purchase of machinery and equipment, offset against proceeds from the disposal of property, plant and equipment.

Net cash used in financing activities in 2H FY2023 and FY2023 was US\$1.7 million and US\$3.8 million, respectively, attributable to the net proceeds of borrowings and repayment of lease liabilities.

The Group recorded a net increase in cash and cash equivalents amounting to US\$5.3 million and US\$1.5 million in 2H FY2023 and FY2023, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$10.8 million as at 31 December 2023.

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

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 Group continued to make progress against its strategic review objectives (initiated in Q3 FY2022). Notable milestones included:

- Conclusion of the process of delisting the shares from AIM.
- Streamlining a part of our SatCom operations in North America with the outsourcing of the manufacturing and assembly of certain Semi Moulded Compound products as highlighted in our 13 December 2023 announcement.
- Sale of machinery for US\$4.75 million. The sum of US\$4.42 million, as part of the proceeds from the sale, has been received by the Group. The remaining sum of the sale price is held in escrow subject to GSW renewing its remaining proportion of the lease at the end of 2024.
- Return some 162,000 sq ft of the leased manufacturing facility, generating further cost savings.
- Addition of more engineering resources to strengthen the R&D team, accelerate development, and support migration to increasingly software defined products and solutions.

The demand for SatCom connectivity continued to grow, driven by the desire for data and connectivity globally. With the market leading combination of Global Skyware's traditional GEO and new NGSO products and solutions the Group is well placed in this sector and we intend to develop those capabilities to pursue a complete systems development strategy.

The Board's strategic review process will continue, driving assessment and optimisation of the Group's corporate and operational structure, growth opportunities, routes to market and cost base, with a view to maximising stakeholder returns whilst actively managing and assessing our ongoing supply chain and inflationary pressures in the face of currently suppressed demand for legacy VSAT and DTH products from our core customers.

Key to this process will be our continued investment in product development capabilities to ensure the Group retains its vitality and relevance as a key participant in the satellite ground network equipment ecosystem. We will continue to simplify the corporate structure and operations to eliminate duplicated costs and allow for efficiencies.

As part of our strategic review, we will continue to challenge the delivery of our products and services, particularly from our remaining manufacturing facilities within the United States, to ensure our operating model is optimised. Additionally, we are developing a business model to address the changing marketplace focusing on delivery of integrated platform solutions utilising our proven antenna capability and market leading transceiver technology within Global Skyware, and tracking technology of our Apexsat products to address demand for Gateway (aka Ground Station) and User Terminal applications.

Despite launch delays affecting some satellite operators, we believe medium term demand for SatCom ground equipment remains robust with emerging New Space business models set to drive persistent growth over the long term. Against this backdrop, the Group will maintain a strong focus on growing the value of Global Skyware's product and solution mix and optimising its profitability.

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 year ended 31 December 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 year ended 31 December 2023.

8. 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 year ended 31 December 2023 to be false or misleading in any material aspect.

9. 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.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Neither Global Invacom Group Limited nor any of its principal subsidiaries have any person occupying a managerial position who is related to a director, chief executive officer or substantial shareholder.

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

28 February 2024