



GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 200202428H)

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FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) **A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income for the three months ended 31 March 2017. These figures have not been audited.

	Group		
	Q1 FY2017 US\$'000	Q1 FY2016 US\$'000	Increase/ (Decrease) %
Revenue	27,531	30,758	(10.5)
Cost of sales	(21,506)	(25,079)	(14.2)
Gross profit	6,025	5,679	6.1
Other income	204	197	3.6
Distribution costs	(146)	(110)	32.7
Administrative expenses	(5,069)	(6,263)	(19.1)
Other operating expenses	(106)	-	N.M.
Finance income	5	7	(28.6)
Finance costs	(112)	(140)	(20.0)
Profit/(Loss) before income tax⁽ⁱ⁾	801	(630)	N.M.
Income tax expense	(196)	(24)	716.7
Profit/(Loss) after income tax attributable to equity holders of the Company	605	(654)	N.M.

Other comprehensive (loss)/income:

Items that may be reclassified subsequently to profit or loss

- Exchange differences on translation of foreign subsidiaries

(113)	578	N.M.
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Other comprehensive (loss)/income for the period, net of tax

(113)	578	N.M.
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Total comprehensive income/(loss) for the period attributable to equity holders of the Company

492	(76)	N.M.
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N.M.: Not Meaningful

Note:

(i) Profit/(Loss) before income tax was determined after (charging)/crediting the following:

	Group		
	Q1 FY2017 US\$'000	Q1 FY2016 US\$'000	Increase/ (Decrease) %
Interest income	5	7	(28.6)
Interest expense	(112)	(140)	(20.0)
Gain on foreign exchange	53	192	(72.4)
Write-back/(Allowance) for inventory obsolescence	389	(210)	N.M.
Loss on disposal of property, plant and equipment	(20)	-	N.M.
Impairment of property, plant and equipment	(86)	-	N.M.
Depreciation of property, plant and equipment	(593)	(595)	(0.3)
Amortisation of intangible assets	(148)	(38)	289.5
Operating lease expense	(816)	(842)	(3.1)
Research and development expense	(390)	(389)	0.3

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	12,669	13,177	4	4
Investments in subsidiaries	-	-	44,819	53,415
Goodwill	9,352	9,352	-	-
Intangible assets	2,684	2,828	-	-
Available-for-sale financial assets	8	8	-	-
Deferred tax assets	355	355	-	-
Other receivables and prepayments	55	55	8,871	-
	25,123	25,775	53,694	53,419
Current Assets				
Due from subsidiaries	-	-	867	867
Inventories	30,077	28,841	-	-
Trade receivables	14,956	16,934	-	-
Other receivables and prepayments	3,854	3,110	11,492	11,202
Tax receivables	503	1,002	-	-
Cash and cash equivalents	7,642	7,942	1,198	1,251
	57,032	57,829	13,557	13,320
Total assets	82,155	83,604	67,251	66,739
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	(5,921)	(6,453)	(12,836)	(12,929)
Total equity	52,846	52,314	59,748	59,655
Non-current Liabilities				
Other payables	1,222	1,222	-	-
Deferred tax liabilities	681	681	-	-
	1,903	1,903	-	-
Current Liabilities				
Due to subsidiaries	-	-	7,272	6,820
Trade payables	16,280	16,602	-	-
Other payables	4,424	6,323	163	196
Borrowings	6,303	6,108	-	-
Provision for income tax	399	354	68	68
	27,406	29,387	7,503	7,084
Total liabilities	29,309	31,290	7,503	7,084
Total equity and liabilities	82,155	83,604	67,251	66,739

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Mar 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
6,303	-	6,108	-

Amount repayable after one year

As at 31 Mar 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Details of any collateral

The loans of US\$6,303,000 were secured over the subsidiaries' bank deposit of US\$200,000, cash collateral of US\$1,000,000 and corporate guarantees provided by the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Q1 FY2017 US\$'000	Q1 FY2016 US\$'000
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	801	(630)
Adjustments for:		
Depreciation of property, plant and equipment	593	595
Amortisation of intangible assets	148	38
Loss on disposal of property, plant and equipment	20	-
Impairment of property, plant and equipment	86	-
(Write-back)/Allowance for inventory obsolescence	(389)	210
Unrealised exchange (gain)/loss	(218)	225
Interest income	(5)	(7)
Interest expense	112	140
Share-based payments	40	87
Operating cash flow before working capital changes	1,188	658
Changes in working capital:		
Inventories	(838)	(62)
Trade receivables	1,987	4,359
Other receivables and prepayments	(576)	(229)
Trade and other payables	(2,125)	(3,931)
Cash (used in)/generated from operating activities	(364)	795
Interest paid	(112)	(92)
Income tax refund/(paid)	196	(255)
Net cash (used in)/generated from operating activities	(280)	448
Cash Flows from Investing Activities		
Interest received	3	7
Purchase of property, plant and equipment	(260)	(657)
Proceeds from disposal of property, plant and equipment	27	-
Net cash used in investing activities	(230)	(650)
Cash Flows from Financing Activities		
Proceeds from borrowings	10,705	12,881
Repayment of borrowings	(10,510)	(11,278)
Net cash generated from financing activities	195	1,603
Net (decrease)/increase in cash and cash equivalents	(315)	1,401
Cash and cash equivalents at the beginning of the period	6,742	7,448
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	15	162
Cash and cash equivalents at the end of the period⁽ⁱ⁾	6,442	9,011

Note:

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

	Q1 FY2017 US\$'000	Q1 FY2016 US\$'000
Cash and bank balances	7,413	9,987
Fixed deposits	229	442
	7,642	10,429
Less: Restricted cash*	(1,200)	(1,418)
Cash and cash equivalents per the consolidated statement of cash flows	6,442	9,011

* Restricted cash includes cash collateral amounted to US\$1,000,000 (Q1 FY2016: US\$1,000,000) and fixed deposits amounted to US\$200,000 (Q1 FY2016: US\$400,000) pledged with the banks for facilities and loans granted to the Group. As at 31 March 2017, the Group had utilised US\$6,303,000 of the facilities and loans granted.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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	Total US\$'000
Balance as at 1 Jan 2017	60,423	(1,656)	(10,150)	6	613	(3,695)	(986)	7,759	52,314
Share-based payments	-	-	-	-	40	-	-	-	40
Profit for the period	-	-	-	-	-	-	-	605	605
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(113)	-	(113)
Total other comprehensive income for the period	-	-	-	-	-	-	(113)	605	492
Balance as at 31 Mar 2017	60,423	(1,656)	(10,150)	6	653	(3,695)	(1,099)	8,364	52,846
Balance as at 1 Jan 2016	60,423	(1,656)	(10,150)	6	353	(3,786)	(1,281)	10,553	54,462
Share-based payments	-	-	-	-	87	-	-	-	87
Loss for the period	-	-	-	-	-	-	-	(654)	(654)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	578	-	578
Total other comprehensive loss for the period	-	-	-	-	-	-	578	(654)	(76)
Balance as at 31 Mar 2016	60,423	(1,656)	(10,150)	6	440	(3,786)	(703)	9,899	54,473

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 Jan 2017	74,240	(1,656)	613	(4,481)	(2,067)	(6,994)	59,655
Share-based payments	-	-	38	-	-	-	38
Loss for the period	-	-	-	-	-	(85)	(85)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	140	-	140
Total other comprehensive income for the period	-	-	-	-	140	(85)	55
Balance as at 31 Mar 2017	74,240	(1,656)	651	(4,481)	(1,927)	(7,079)	59,748
Balance as at 1 Jan 2016	74,240	(1,656)	353	(4,481)	(2,067)	(5,007)	61,382
Share-based payments	-	-	87	-	-	-	87
Loss for the period	-	-	-	-	-	(527)	(527)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(527)	(527)
Balance as at 31 Mar 2016	74,240	(1,656)	440	(4,481)	(2,067)	(5,534)	60,942

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Q1 FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 31 Mar 2017	271,662,227	72,584
Q1 FY2016	No. of shares	US\$'000
Balance as at 1 Jan 2016 and 31 Mar 2016	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 31 March 2017 and 31 March 2016 and there was no subsidiary holdings.

- 1(d)(iii) To show the 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 Mar 2017	31 Dec 2016
Total number of issued shares excluding treasury shares	271,662,227	271,662,227

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Q1 FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 31 Mar 2017	10,740,072	1,656

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Q1 FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 31 Mar 2017	-	-

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been applied consistently for the current financial period ended 31 March 2017 as those used in the audited financial statements for the year ended 31 December 2016, except for the adoption of the new or revised International Financial Reporting Standards ("IFRS") applicable for the financial period beginning 1 January 2017.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all of the new or revised IFRS that are effective for the financial period beginning 1 January 2017 and are relevant to its operations. The adoption of these IFRS does not have financial impact on the Group's financial position or results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group, after deducting any provision for preference dividends	Group	
	Q1 FY2017 US\$	Q1 FY2016 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.22 cent	(0.24) cent
(b) On a fully diluted basis	0.22 cent	(0.24) 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	271,722,501	271,662,227

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Mar 2017 US\$	31 Dec 2016 US\$	31 Mar 2017 US\$	31 Dec 2016 US\$
Net asset value per ordinary share based on issued share capital	19.45 cents	19.26 cents	21.99 cents	21.96 cents
Total number of issued shares	271,662,227	271,662,227	271,662,227	271,662,227

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Financial Performance

Revenue

The Group's revenue was US\$27.5 million in Q1 FY2017, US\$3.3 million lower than US\$30.8 million in Q1 FY2016. This related mainly to reductions in revenue in the Contract Manufacturing segment following the consolidation of the subsidiaries in the People's Republic of China ("PRC").

By geography, revenue for Q1 FY2017 from America, Europe and Asia regions declined, US\$0.7 million (-3.5%), US\$2.2 million (-29.8%) and US\$0.5 million (-20.1%), respectively. This was offset by an increase in revenue from the Rest of the World by US\$0.1 million (+10.7%), against that in Q1 FY2016.

Gross Profit

Despite the decrease in revenue, gross profit increased by US\$0.3 million or 6.1% to US\$6.0 million in Q1 FY2017 from US\$5.7 million in Q1 FY2016. Gross profit margin ("GPM") improved to 21.9% in Q1 FY2017 from 18.5% in Q1 FY2016 as a result of savings from the PRC consolidation as well as on-going Group-wide factory cost control, including the Global Skyware site which has undertaken substantial improvements.

Other Income

Other income increased primarily due to excess materials sold by the Shenzhen subsidiary that ceased operations and foreign exchange gains in Q1 FY2017.

Administrative Expenses

Administrative expenses decreased to US\$5.1 million in Q1 FY2017 from US\$6.3 million in Q1 FY2016, representing 18.4% and 20.4% of revenue, respectively, attributed to strong cost savings from the streamlining programmes, restructuring, rationalisation and consolidation exercises in FY2016.

Other Operating Expenses

Other operating expenses relates to the impairment and loss on property, plant and equipment in the Shenzhen subsidiary that was no longer in use.

Profit Before Tax & Net Profit

The Group recorded a profit before tax of US\$0.8 million in Q1 FY2017 compared to a loss before tax of US\$0.6 million in Q1 FY2016, representing a positive margin of 2.9% compared to a negative margin of 2.0%, respectively.

Overall, the Group posted a net profit of US\$0.6 million in Q1 FY2017 compared to a net loss of US\$0.7 million in Q1 FY2016, representing a positive margin of 2.2% compared to a negative margin of 2.1%, respectively.

Review of Financial Position

Non-current assets decreased, primarily due to the depreciation of property, plant and equipment and the amortisation of intangible assets.

Net current assets increased by US\$1.2 million to US\$29.6 million as at 31 March 2017 compared to US\$28.4 million as at 31 December 2016. Inventories increased by US\$1.2 million in preparation for orders for the next quarter, and prompt collections have resulted in trade and other receivables decreasing by US\$1.2 million. Trade and other payables decreased by US\$2.2 million. Borrowings increased slightly by US\$0.2 million to US\$6.3 million and cash and cash equivalents decreased by US\$0.3 million to US\$7.6 million as at 31 March 2017, primarily relating to the purchase of inventory relating to future orders. Net tax receivables decreased by US\$0.5 million to US\$0.1 million as at 31 March 2017.

The Group's net asset value stood at US\$52.8 million as at 31 March 2017, compared to US\$52.3 million as at 31 December 2016.

Review of Cash Flows

Net cash used in operating activities in Q1 FY2017 was US\$0.3 million, comprising cash inflow from operating activities before working capital changes of US\$1.2 million, net working capital outflow of US\$1.6 million and payment of interest and refund of income tax expense of US\$0.1 million and US\$0.2 million, respectively.

Net cash used in investing activities was US\$0.2 million in Q1 FY2017, mainly attributable to the purchase of machinery and equipment.

Net cash generated from financing activities was US\$0.2 million in Q1 FY2017, arising mainly from the net proceeds of borrowings.

Overall, the Group recorded a net decrease in cash and cash equivalents of US\$0.3 million in Q1 FY2017, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$6.4 million as at 31 March 2017.

9. 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.

10. 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 first quarter of 2017 has seen the beginning of the roll out of new technology Low Noise Block's ("LNB") utilising Digital Channel Stacking Switch ("DCSS") technology, which allows up to 32 continuous video streams from a single LNB. Having secured qualification from a key customer in FY2016, the Group has seen a pick-up in sales and orders over Q1 FY2016 and it expects the deployment of DCSS-generation products to gradually improve throughout FY2017, stabilising in 2018 and beyond as more broadcasters transition to the new technology.

The Group also benefitted from the launch in December 2016 of the high-speed communications satellite Jupiter 2 which commenced services this quarter. This launch significantly expanded the broadband capacity and subscriber base of Hughes Network Systems, LLC ("Hughes"), a key customer for which the Group is the primary provider of ground antennae, resulting in significant demand for equipment.

Elsewhere, the Foxcom operation in Israel has made some inroads with new RF products into the world's largest TV broadcaster and with new fibre solutions for remote antennas and in-hangar GPS and Iridium testing, the latter of which has been taken up by a major airline.

New processes and technologies to improve productivity across its global manufacturing network which began in 2016 have started to bear fruit. Global Skyware made its first contribution to the Group's profitability in Q1 FY2017, after making losses in FY2016, brought about, in some part, by the increased demand from Hughes but assisted by a lower breakeven point resulting from improvements to its manufacturing processes made during FY2016. In addition, the Group has begun to see the benefits from the restructuring in the UK and Asia. Lower costs in the UK and the consolidation the Group's presence in the PRC, which involved the closure of a non-core manufacturing facility in Shenzhen in Q4 FY2016, have led to improved gross profit margins and lower breakeven points in both regions which should assist the Group through the remainder of the year.

The international satellite manufacturing and launch market is expected to grow at a compounded annual rate of 4.95% between 2016 and 2020*, amid higher demand for satellite ground equipment ("SGE") as well as low-cost HD and 4K broadcast content. The Group remains vigilant about challenges in the global economy, such as political changes in the UK, USA and Europe that may affect international trade, in order to mitigate impact on its business activities.

The Group will continue to invest in innovation and automation as it pursues its aim of global leadership in the research and production of Sat Comms equipment. The Board is confident, barring unexpected challenges to the Global economy, that the new DCSS products, along with the expected growth of other new products, will enable the Group to improve performance.

**Source: Global Satellite Manufacturing and Launch Market 2016-2020 – TechNavio*

11. 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.

12. If no dividend has been declared/recommendedd, a statement to that effect.

No dividend has been declared or recommended for the three months ended 31 March 2017.

13. 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 and there were no IPTs for the three months ended 31 March 2017.

14. Confirmation that the Company has procured undertaking from all its directors and executive officers pursuant to Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

CONFIRMATION BY THE BOARD OF DIRECTORS (THE "BOARD") 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 three months ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the Board

Anthony Brian Taylor
Director

Matthew Jonathan Garner
Director

BY ORDER OF THE BOARD
Anthony Brian Taylor
Executive Chairman

11 May 2017

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



Singapore and U.K. AIM-listed Global Invacom Group Reverses Last Year's Loss To Announce Net Profit of US\$0.6 Million in Q1 FY2017

- **Net profit of US\$0.6 million (Q1 FY2016: US\$0.7 million loss)**
- **Gross profit of US\$6.0 million (Q1 FY2016: US\$5.7 million)**
- **Gross profit margin improved to 21.9% (Q1 FY2016: 18.5%)**
- **Release of next-generation products has helped Group make profit in Q1 FY2017**

Singapore, 11 May 2017 – Global Invacom Group Limited (“Global Invacom” or “the Group”), a satellite communications (“Sat Comms”) equipment provider listed on the Singapore Exchange and the U.K. AIM Market, today announces a net profit of US\$0.6 million for the three months ended 31 March 2017 (“Q1 FY2017”), reversing a loss of US\$0.7 million in the comparable period last year.

The turnaround was lifted by the first full quarter of profit for some time by the Group’s U.S. subsidiary, Ravens Antenna Systems (trading as “Global Skyware”). The Group acquired Global Skyware, which designs and manufactures antennas for Broadband, Satellite and Very Small Aperture Terminals covering C-band, Ku-band and Ka-band frequency platforms, on 24 August 2015.

The Group has commenced sales of next generation Low Noise Blocks (“LNBs”) utilising Digital Channel Stacking Switch (“DCSS”) technology – which allows up to 32 continuous video streams from a single LNB – as global broadcasters began transitioning to the latest DCSS based solutions. The Group expects sales of DCSS-generation products to increase throughout the year ending 31 December 2017 (“FY2017”).

Group revenue for Q1 FY2017 declined to US\$27.5 million (Q1 FY2016: US\$30.8 million) mainly due to lower turnover in the contract manufacturing segment following the closure of a non-core manufacturing subsidiary in Shenzhen, China, which was completed in Q4 FY2016. The Group’s manufacturing activity in China is now consolidated at its manufacturing facility in Shanghai.

Q1 FY2017 revenue from America, Europe and Asia regions declined by US\$0.7 million (-3.5%), US\$2.2 million (-29.8%) and US\$0.5 million (-20.1%), respectively. Revenue from the Rest of the World increased by US\$0.1 million (+10.7%).

Reflecting improvements in internal efficiencies, gross profit improved 6.1% to US\$6.0 million in Q1 FY2017 versus US\$5.7 million in Q1 FY2016. Gross profit margin increased to 21.9% compared to 18.5% the previous year, helped by on-going manufacturing efficiencies across the Group, and specifically at Global Skyware in the U.S. Lower research and development costs due to the weakened U.K. pound helped costs in the U.K.

Administrative expenses decreased to US\$5.1 million in Q1 FY2017 from US\$6.3 million in Q1 FY2016, representing 18.4% and 20.4% of revenue, respectively. This was due to operational cost savings from restructuring, rationalisation and consolidation exercises across the Group.

Cash and cash equivalents as at 31 March 2017 stood at US\$7.6 million. Net cash used in operating activities was US\$0.3 million in Q1 FY2017 compared to US\$0.4 million generated

from operating activities in Q1 FY2016; offset by the purchase of property, plant and equipment of US\$0.2 million and US\$0.7 million, respectively. Net cash generated from financing activities was US\$0.2 million in Q1 FY2017 and US\$1.6 million in Q1 FY2016, respectively.

Earnings per share on a fully diluted basis improved to 0.22 US cent for Q1 FY2017, a positive swing from a loss per share of 0.24 US cent a year earlier. Net asset value per share edged up to 19.45 US cents as at 31 March 2017 from 19.26 US cents as at 31 December 2016.

Mr Tony Taylor, Executive Chairman of Global Invacom, said:

“This set of results underscores the strong foundation we have laid to improve the Group's performance. The better margins and improved bottom line reflect the consolidation of our global manufacturing network and supply chain, as well as our efforts to expand our product portfolio through ongoing research and development and acquisitions.

“We intend to build on this momentum throughout FY2017 and beyond as we roll out DCSS-generation equipment for our broadcaster customers and Ka VSAT antenna's for the rapidly growing fleet of HTS (High Throughput Satellites), providing data over satellite around the world.”

****End of Press Release****

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

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About Global Invacom Group Limited

Global Invacom Group Limited ("Global Invacom") is listed on the Singapore Exchange Securities Trading Limited Mainboard ("SGX-ST") and its shares are admitted to trading on the AIM Market of the London Stock Exchange in the U.K.

Global Invacom is a fully integrated satellite equipment provider with six manufacturing plants across China, Israel, Malaysia, U.K. and the U.S. Its customers include satellite broadcasters such as BSkyB of the U.K. and Dish Network of the U.S.A.

On 24 August 2015, Global Invacom completed the acquisition of Global Skyware, a leading U.S.-based designer and supplier of satellite antennas products and services for C-band, Ku-band and Ka-band frequency platforms, positioning itself as the world's only full-service outdoor unit supplier.

Global Invacom provides a full range of dish antennas, LNB receivers, transmitters, switches and video distribution components and electronics manufacturing services in satellite communications as well as manufacturing services in TV peripherals, computer peripherals, medical, and consumer electronics industries.

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