



global invacom
completing the picture

GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)

(Company Registration Number 200202428H)

8 Temasek Boulevard, #20-03 Suntec Tower Three, Singapore 038988

Tel: 68848270 Fax: 68848273 Website: www.globalinvacom.com

FINANCIAL STATEMENT ANNOUNCEMENT FOR Q2 AND HALF-YEAR ENDED 30 JUNE 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 Q2 and half-year ended 30 June 2017. These figures have not been audited.

	Group			Group		
	Q2 FY2017 US\$'000	Q2 FY2016 US\$'000	Increase/ (Decrease) %	1H FY2017 US\$'000	1H FY2016 US\$'000	Increase/ (Decrease) %
Revenue	29,893	33,517	(10.8)	57,424	64,275	(10.7)
Cost of sales	(24,089)	(26,216)	(8.1)	(45,595)	(51,295)	(11.1)
Gross profit	5,804	7,301	(20.5)	11,829	12,980	(8.9)
Other income	711	12	N.M.	915	17	N.M.
Distribution costs	(83)	(76)	9.2	(229)	(186)	23.1
Administrative expenses	(5,246)	(6,516)	(19.5)	(10,315)	(12,779)	(19.3)
Other operating expenses	-	(255)	(100.0)	(106)	(63)	68.3
Finance income	5	5	-	10	12	(16.7)
Finance costs	(95)	(184)	(48.4)	(207)	(324)	(36.1)
Profit/(Loss) before income tax⁽ⁱ⁾	1,096	287	281.9	1,897	(343)	N.M.
Income tax expense	(223)	(62)	259.7	(419)	(86)	387.2
Profit/(Loss) after income tax attributable to equity holders of the Company	873	225	288.0	1,478	(429)	N.M.

Other comprehensive income/(loss):

Items that may be reclassified subsequently to profit or loss

- Exchange differences on translation of foreign subsidiaries	221	(99)	N.M.	108	479	(77.5)
Items that may not be reclassified subsequently to profit or loss	-	-	-	-	-	-

Other comprehensive income/(loss) for the period, net of tax

	221	(99)	N.M.	108	479	(77.5)
--	------------	-------------	-------------	------------	------------	---------------

Total comprehensive income for the period attributable to equity holders of the Company

	1,094	126	768.3	1,586	50	N.M.
--	--------------	------------	--------------	--------------	-----------	-------------

N.M.: Not Meaningful

Note:

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

	Group			Group		
	Q2 FY2017 US\$'000	Q2 FY2016 US\$'000	Increase/ (Decrease) %	1H FY2017 US\$'000	1H FY2016 US\$'000	Increase/ (Decrease) %
Interest income	5	5	-	10	12	(16.7)
Interest expense	(95)	(184)	(48.4)	(207)	(324)	(36.1)
Gain/(Loss) on foreign exchange	131	(255)	N.M.	184	(63)	N.M.
Write-back of payables	578	-	N.M.	578	-	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	(629)	(637)	(1.3)	(1,222)	(1,232)	(0.8)
Amortisation of intangible assets	(160)	(38)	321.1	(308)	(76)	305.3
(Allowance)/Write-back of inventory obsolescence	(126)	(117)	7.7	263	(327)	N.M.
Operating lease expense	(795)	(841)	(5.5)	(1,611)	(1,683)	(4.3)
Research and development expense	(413)	(366)	12.8	(803)	(755)	6.4

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	
	30 Jun 2017 US\$'000	31 Dec 2016 US\$'000	30 Jun 2017 US\$'000	31 Dec 2016 US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	12,646	13,177	8	4
Investments in subsidiaries	-	-	44,856	53,415
Goodwill	9,352	9,352	-	-
Intangible assets	2,754	2,828	-	-
Available-for-sale financial assets	8	8	-	-
Deferred tax assets	355	355	-	-
Other receivables and prepayments	54	55	9,970	-
	25,169	25,775	54,834	53,419
Current Assets				
Due from subsidiaries	-	-	121	867
Inventories	29,859	28,841	-	-
Trade receivables	16,982	16,934	-	-
Other receivables and prepayments	1,868	3,110	11,957	11,202
Tax receivables	125	1,002	-	-
Cash and cash equivalents	10,133	7,942	198	1,251
	58,967	57,829	12,276	13,320
Total assets	84,136	83,604	67,110	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	(4,792)	(6,453)	(12,855)	(12,929)
Total equity	53,975	52,314	59,729	59,655
Non-current Liabilities				
Other payables	1,222	1,222	-	-
Deferred tax liabilities	682	681	-	-
	1,904	1,903	-	-
Current Liabilities				
Due to subsidiaries	-	-	6,918	6,820
Trade payables	14,594	16,602	-	-
Other payables	4,790	6,323	395	196
Borrowings	8,512	6,108	-	-
Provision for income tax	361	354	68	68
	28,257	29,387	7,381	7,084
Total liabilities	30,161	31,290	7,381	7,084
Total equity and liabilities	84,136	83,604	67,110	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 30 Jun 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
8,512	-	6,108	-

Amount repayable after one year

As at 30 Jun 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\$8,512,000 were secured over the subsidiaries' bank deposit of US\$200,000 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		Group	
	Q2 FY2017 US\$'000	Q2 FY2016 US\$'000	1H FY2017 US\$'000	1H FY2016 US\$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	1,096	287	1,897	(343)
Adjustments for:				
Depreciation of property, plant and equipment	629	637	1,222	1,232
Amortisation of intangible assets	160	38	308	76
Loss on disposal of property, plant and equipment	-	-	20	-
Impairment of property, plant and equipment	-	-	86	-
Allowance/(Write-back) of inventory obsolescence	126	117	(263)	327
Unrealised exchange loss/(gain)	235	(6)	17	219
Interest income	(5)	(5)	(10)	(12)
Interest expense	95	184	207	324
Share-based payments	35	86	75	173
Write-back of payables	(578)	-	(578)	-
Operating cash flow before working capital changes	1,793	1,338	2,981	1,996
Changes in working capital:				
Inventories	108	823	(730)	761
Trade receivables	(2,015)	(404)	(28)	3,955
Other receivables and prepayments	2,700	1,564	2,124	1,335
Trade and other payables	(1,292)	815	(3,417)	(3,116)
Cash generated from operating activities	1,294	4,136	930	4,931
Interest paid	(105)	(140)	(217)	(232)
Income tax paid	(331)	(50)	(135)	(305)
Net cash generated from operating activities	858	3,946	578	4,394
Cash Flows from Investing Activities				
Interest received	7	5	10	12
Purchase of property, plant and equipment	(601)	(458)	(861)	(1,115)
Proceeds from disposal of property, plant and equipment	-	-	27	-
Decrease in restricted cash	1,000	5	1,000	5
Net cash generated from/(used in) investing activities	406	(448)	176	(1,098)

	Group		Group	
	Q2 FY2017 US\$'000	Q2 FY2016 US\$'000	1H FY2017 US\$'000	1H FY2016 US\$'000
Cash Flows from Financing Activities				
Proceeds from borrowings	17,837	10,753	28,542	23,634
Repayment of borrowings	(15,628)	(12,026)	(26,138)	(23,304)
Net cash generated from/(used in) financing activities	2,209	(1,273)	2,404	330
Net increase in cash and cash equivalents	3,473	2,225	3,158	3,626
Cash and cash equivalents at the beginning of the period	6,442	9,011	6,742	7,448
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	18	(170)	33	(8)
Cash and cash equivalents at the end of the period⁽ⁱ⁾	9,933	11,066	9,933	11,066

Note:

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

	Q2 FY2017 US\$'000	Q2 FY2016 US\$'000	1H FY2017 US\$'000	1H FY2016 US\$'000
Cash and bank balances	9,904	12,036	9,904	12,036
Fixed deposits	229	443	229	443
	10,133	12,479	10,133	12,479
Less: Restricted cash*	(200)	(1,413)	(200)	(1,413)
Cash and cash equivalents per the consolidated statement of cash flows	9,933	11,066	9,933	11,066

* Restricted cash includes fixed deposits amounted to US\$200,000 (1H FY2016: Cash collateral of US\$1,000,000 and fixed deposits of US\$400,000) pledged with the banks for facilities and loans granted to the Group. As at 30 June 2017, the Group had utilised US\$8,512,000 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 (loss)/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
Share-based payments	-	-	-	-	35	-	-	-	35
Profit for the period	-	-	-	-	-	-	-	873	873
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	221	-	221
Total other comprehensive income for the period	-	-	-	-	-	-	221	873	1,094
Balance as at 30 Jun 2017	60,423	(1,656)	(10,150)	6	688	(3,695)	(878)	9,237	53,975
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 income/(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
Share-based payments	-	-	-	-	86	-	-	-	86
Profit for the period	-	-	-	-	-	-	-	225	225
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(99)	-	(99)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(99)	225	126
Balance as at 30 Jun 2016	60,423	(1,656)	(10,150)	6	526	(3,786)	(802)	10,124	54,685

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/(loss) 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
Share-based payments	-	-	37	-	-	-	37
Loss for the period	-	-	-	-	-	(56)	(56)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(56)	(56)
Balance as at 30 Jun 2017	74,240	(1,656)	688	(4,481)	(1,927)	(7,135)	59,729
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
Share-based payments	-	-	86	-	-	-	86
Loss for the period	-	-	-	-	-	(996)	(996)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(996)	(996)
Balance as at 30 Jun 2016	74,240	(1,656)	526	(4,481)	(2,067)	(6,530)	60,032

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

1H FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Jun 2017	271,662,227	72,584
1H FY2016	No. of shares	US\$'000
Balance as at 1 Jan 2016 and 30 Jun 2016	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 June 2017 and 30 June 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.

	30 Jun 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, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

1H FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Jun 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.

1H FY2017	No. of shares	US\$'000
Balance as at 1 Jan 2017 and 30 Jun 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 30 June 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		Group	
	Q2 FY2017 US\$	Q2 FY2016 US\$	1H FY2017 US\$	1H FY2016 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.32 cent	0.08 cent	0.54 cent	(0.16) cent
(b) On a fully diluted basis	0.32 cent	0.08 cent	0.54 cent	(0.16) cent
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	272,196,579	271,662,227	272,501,910	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	
	30 Jun 2017 US\$	31 Dec 2016 US\$	30 Jun 2017 US\$	31 Dec 2016 US\$
Net asset value per ordinary share based on issued share capital	19.87 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\$29.9 million in Q2 FY2017, US\$3.6 million lower than US\$33.5 million in Q2 FY2016. The most significant variation arose from the Group's decision to consolidate its subsidiaries in the People's Republic of China ("PRC") at the end of 2016, leading to a reduction in sales in its non-core Contract Manufacturing segment of US\$2.7 million. The Group's revenue for 1H FY2017 decreased US\$6.9 million (-10.7%) to US\$57.4 million from US\$64.3 million a year ago, led by the reduction of US\$5.9 million from the Contract Manufacturing segment.

By geography, revenue for Q2 FY2017 from America and Europe regions declined against Q2 FY2016 by US\$1.3 million (-5.7%) and US\$3.0 million (-38.8%), respectively. This was partially offset by an increase in revenue from Asia by US\$0.2 million (+9.8%) and from Rest of the World ("RoW") by US\$0.5 million (+53.7%). Decline in revenue for 1H FY2017 was mainly attributable to the regions in America, Europe and Asia by US\$2.0 million (-4.7%), US\$5.2 million (-34.4%) and US\$0.3 million (-7.3%), respectively, offset by an increase in revenue from RoW by US\$0.6 million (+27.8%).

Gross Profit

Gross profit decreased by US\$1.5 million or 20.5% to US\$5.8 million in Q2 FY2017 from US\$7.3 million in Q2 FY2016, driven by reduction in revenue. Gross profit margin ("GPM") dropped to 19.4% in Q2 FY2017 from 21.8% in Q2 FY2016 which had included some high-margin product sales. During 1H FY2017, GPM improved to 20.6% from 20.2% in 1H FY2016 although reduced revenues have led to an 8.9% decrease in actual gross profit for the same comparative periods.

Other Income

Other income increased primarily due to write-back of payables that are no longer required by the Shenzhen subsidiary that ceased operations at the end of 2016 as well as foreign exchange gains in Q2 FY2017.

Administrative Expenses

Administrative expenses decreased 19.5% to US\$5.2 million in Q2 FY2017 from US\$6.5 million in Q2 FY2016, representing 17.5% and 19.4% of revenue, respectively. This is attributed to ongoing cost-saving exercises initiated during FY2016 including the consolidation of the two operations in PRC. Administrative expenses for 1H FY2017 decreased by 19.3% to US\$10.3 million from US\$12.8 million in 1H FY2016, representing 18.0% and 19.9% of revenue, respectively.

Profit Before Tax & Net Profit

The Group recorded a profit before tax of US\$1.1 million in Q2 FY2017 as compared to a profit of US\$0.3 million in Q2 FY2016, representing a margin of 3.7% and 0.9%, respectively, an increase of 281.9%. The Group posted a profit before tax of US\$1.9 million in 1H FY2017 compared to a loss of US\$0.3 million in 1H FY2016.

Overall, the Group posted a net profit of US\$0.9 million in Q2 FY2017 compared to a profit of US\$0.2 million in Q2 FY2016, representing a net margin of 2.9% and 0.7%, respectively. The Group posted a net profit of US\$1.5 million in 1H FY2017 compared to a net loss of US\$0.4 million in 1H FY2016. Global Skyware recorded a second consecutive quarter of profit in Q2 FY2017, having previously not recorded a quarterly profit in 10 years.

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\$2.3 million to US\$30.7 million as at 30 June 2017 compared to US\$28.4 million as at 31 December 2016. Inventories increased by US\$1.0 million in preparation for orders for the next few months, and prompt collections have resulted in trade and other receivables decreasing by US\$1.2 million. Trade and other payables decreased by US\$3.5 million following ongoing payment of trade suppliers particularly by the operations in the United States. This was achieved by restructuring our loan facilities and taking on new borrowings which have increased by US\$2.4 million to US\$8.5 million, resulting in an increase of US\$2.2 million in cash and cash equivalents to US\$10.1 million as at 30 June 2017. Net tax receivables decreased by US\$0.8 million to US\$0.2 million as at 30 June 2017.

The Group's net asset value stood at US\$54.0 million as at 30 June 2017, compared to US\$52.3 million as at 31 December 2016.

Review of Cash Flows

Net cash generated from operating activities in Q2 FY2017 was US\$0.9 million, comprising cash inflow from operating activities before working capital changes of US\$1.8 million, net working capital outflow of US\$0.5 million and payment of interest and income tax expense of US\$0.4 million.

Net cash generated from operating activities in 1H FY2017 was US\$0.6 million, comprising cash inflow from operating activities before working capital changes of US\$3.0 million, net working capital outflow of US\$2.0 million and payment of interest and income tax expense of US\$0.4 million.

Net cash generated from investing activities was US\$0.4 million in Q2 FY2017 and US\$0.2 million in 1H FY2017. This was mainly attributable to a decrease in restricted cash in Q2 FY2017 and offset by the purchase of machinery and equipment.

Net cash generated from financing activities was US\$2.2 million in Q2 FY2017 and US\$2.4 million in 1H FY2017, arising mainly from the additional proceeds from borrowings.

Overall, the Group recorded a net increase in cash and cash equivalents of US\$3.5 million in Q2 FY2017 and US\$3.2 million in 1H FY2017, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$9.9 million as at 30 June 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.

Research shows that the global satellite industry continues to grow, driven by consumer services such as HD and 4K streaming* and demand for access to data services around the world. In 2016 the overall industry grew 2% and revenue of satellite ground equipment revenue rose 7% to reach US\$113.4 billion, buoyed by demand for satellite navigation and network equipment.

While the Group remains vigilant about challenges in the global economic and political landscape that may affect international trade, it remains confident about its underlying business prospects.

Restructuring efforts in the last two years have improved the supply chain, including introduction of new quality-control measures for production, and stronger management teams across the world. Not only has productivity increased, the entire global manufacturing network is now more streamlined. These changes, including ceasing and relocating operations from Shenzhen to Shanghai at the end of 2016, have lowered the Group's breakeven points across its global footprint.

The Group commenced DCSS-related product sales in Q4 FY2016 with regular shipments in Q1 FY2017 to one of its major customers. Sales momentum has continued in Q2 FY2017 and the Group anticipates this will continue in the future as broadcasters around the world gradually transition their client base to the new technology.

The Group is focused on rolling out new products and capturing new opportunities on a global scale. For example, in the UK, the Group has partnered with a leading broadcaster to develop breakthrough new technology that enables live HD large-scale event video streaming over WiFi. The Group has also benefitted from an increased demand for VSAT products as more data satellites are launched.

**Source: The Satellite Industry Association's 2017 State of the Satellite Industry Report*

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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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

10 August 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's Q2 FY2017 Net Profit Rises To US\$0.9 Million From US\$0.2 Million In Q2 FY2016

- **Second consecutive quarter of profitability propelled by DCSS-generation LNB product sales**

Singapore, 10 August 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, announced today that its net profit for the three months ended 30 June 2017 (“Q2 FY2017”) rose nearly four-fold to US\$0.9 million from US\$0.2 million a year ago, lifted by sales of newly designed Low Noise Block (“LNB”) products.

Sales of the new-generation Digital Channel Stacking Switch (“DCSS”) LNB products which commenced in Q4 FY2016 to a major United States (“US”) customer continued throughout the first six months of FY2017 (“1H FY2017”) and are expected to remain solid throughout the rest of the financial year ending 31 December 2017 (“FY2017”) and beyond. Broadcasters across the world are also expected to migrate their customer bases to the new technology.

Ongoing efforts to integrate operations have improved the Group’s supply chain, including the introduction of new quality-control measures for production and stronger management teams across the world. This has increased productivity and efficiency across its manufacturing network, lowering breakeven points across the Group’s global footprint. As a prime example of these changes, Global Skyware has recorded a second consecutive quarter of profit in Q2 2017, having previously not recorded a quarterly profit in 10 years.

Within the UK, the Group has partnered with a leading broadcaster to develop breakthrough new technology that enables live HD large-scale event video streaming over WiFi. In Malaysia, Global Invacom’s internationally regarded Fibre Integrated Reception System has been certified for nationwide use. The Group has also benefitted from higher demand for VSAT products as more data satellites are launched.

Group revenue for Q2 FY2017 of US\$29.9 million (Q2 FY2016: US\$33.5 million) reflects the reduction in non-core Contract Manufacturing revenues following the consolidation of the two subsidiaries in the People’s Republic of China into one site in late FY2016.

In geographical terms, the reduced Contract Manufacturing revenues contributed to a reduction in Q2 FY2017 revenues from America and the European regions of US\$1.3 million (-5.7%) and US\$3.0 million (-38.8%), respectively. Revenue from Asia and the Rest of the World increased by US\$0.2 million (+9.8%) and US\$0.5 million (+53.7%), respectively, compared to Q2 FY2016.

Due to the lower Group revenues, Global Invacom’s gross profit decreased by US\$1.5 million, or 20.5%, to US\$5.8 million in Q2 FY2017 from US\$7.3 million in Q2 FY2016. Although gross profit margin for Q2 FY2017 declined to 19.4% from 21.8% in Q2 FY2016 due to product mix variation, gross profit margin rose from 20.2% in 1H FY2016 to 20.6% in 1H FY2017.

Despite the lower gross profit, net profit margin improved to 2.9% in Q2 FY2017 from 0.7% a year ago, due to ongoing cost containment that included significant sustainable savings from consolidating operations in China. These efforts helped lower administrative expenses by 19.5% to US\$5.2 million in Q2 FY2017 from US\$6.5 million a year ago, lifting net profit nearly four-fold despite lower revenues over the comparative periods.

Earnings per share on a fully diluted basis improved to 0.32 US cent in Q2 FY2017 from earnings per share of 0.08 US cent in Q2 FY2016. Net asset value per share climbed to 19.87 US cents as at 30 June 2017 from 19.26 US cents as at 31 December 2016.

Cash and cash equivalents as at 30 June 2017 stood at US\$10.1 million. Operating cash flow before working capital changes for 1H FY2017 amounted to US\$3.0 million compared to US\$2.0 million in 1H FY2016.

Mr Tony Taylor, Executive Chairman of Global Invacom, said: “Revenue recognition from the new DCSS technology that has been extensively developed over the last two to three years has started to kick in. Beyond the United States, we expect broadcasters around the world will migrate their customers to the new technology so as to give their clients more advanced features and a better viewing experience. Elsewhere, we continue to work with suppliers of internet over satellite to provide VSAT products that allow quick and reliable connectivity to people who cannot easily be connected through standard cabling or line-of-sight products.”

“We will continue to expand our product portfolio through ongoing R&D and execute our strategy to become the lead provider, designer and manufacturer of satellite ground equipment worldwide,” he added.

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

For media queries, please contact

Matthew Garner
Chief Financial Officer

Global Invacom Group Limited

8 Temasek Boulevard
#20-03 Suntec Tower Three
Singapore 038988
+65 6884 3423

Freeman House
John Roberts Business Park
Canterbury CT5 3BJ
+44 203 053 3523

On behalf of Global Invacom Group Limited:

finnCap Ltd (Nominated Adviser and Joint Broker)

Christopher Raggett / Simon Hicks (Corporate Finance)
Rhys Williams (Corporate Broking and Sales)
+44 207 220 0500

Mirabaud Securities Ltd (Joint Broker)

Peter Krens (Equity Capital Markets)
+44 203 167 7221

Bell Pottinger LLP (UK Financial PR)

David Rydell / Joanna Davidson / Tom Berger
+44 203 772 2556

WeR1 Consultants Pte Ltd (Singapore Financial PR)

Grace Yew, graceyew@wer1.net
Wendy Sim, wendysim@wer1.net
+65 6737 4844

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