GLOBAL INVACOM GROUP LIMITED

(Incorporated in Singapore)
(Company Registration Number 200202428H)
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FINANCIAL STATEMENT ANNOUNCEMENT FOR Q3 AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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 nine months period ended 30 September 2016. These figures have not been audited.

	Group			Group		
	Q3 FY2016 US$'000	Q3 FY2015 US$'000	Increase/ (Decrease) %	9 Months FY2016 US$'000	9 Months FY2015 US$'000	Increase/ (Decrease) %
Revenue	**32,068**	**32,192**	**(0.4)**	**96,343**	**86,162**	**11.8**
Cost of sales	(24,833)	(25,921)	(4.2)	(76,128)	(68,739)	10.7
Gross profit	7,235	6,271	15.4	20,215	17,423	16.0
Other income	-	224	100.0	17	193	(91.2)
Distribution costs	(46)	(217)	(78.8)	(232)	(273)	(15.0)
Administrative expenses	(5,747)	(8,721)	(34.1)	(18,526)	(22,322)	(17.0)
Other operating expenses	(24)	-	N.M.	(87)	(41)	112.2
Finance income	1	-	N.M.	13	15	(13.3)
Finance costs	(227)	(74)	206.8	(551)	(94)	486.2
Profit/(Loss) before income tax[(i)]	**1,192**	**(2,517)**	N.M.	**849**	**(5,099)**	N.M.
Income tax expense	(494)	(194)	154.6	(580)	(452)	28.3
Profit/(Loss) after income tax attributable to equity holders of the Company	**698**	**(2,711)**	**N.M.**	**269**	**(5,551)**	**N.M.**

Other comprehensive (loss)/ income:						
Items that may be reclassified subsequently to profit or loss						
- Exchange differences on translation of foreign subsidiaries	(248)	(941)	(73.6)	231	(995)	N.M.
Items that may not be reclassified subsequently to profit or loss	-	-	-	-	-	-
Other comprehensive (loss)/income for the period, net of tax	**(248)**	**(941)**	**(73.6)**	**231**	**(995)**	**N.M.**
Total comprehensive income/(loss) for the period attributable to equity holders of the Company	**450**	**(3,652)**	**N.M.**	**500**	**(6,546)**	**N.M.**

N.M.: Not Meaningful

Note:

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

	Group			Group		
	Q3 FY2016 US$'000	**Q3 FY2015 US$'000**	**Increase/ (Decrease) %**	**9 Months FY2016 US$'000**	**9 Months FY2015 US$'000**	**Increase/ (Decrease) %**
Interest income	1	-	N.M.	13	15	(13.3)
Interest expense on borrowings	(227)	(74)	206.8	(551)	(94)	486.2
(Loss)/Gain on foreign exchange	(24)	249	N.M.	(87)	171	N.M.
Gain/(Loss) on disposal of property, plant and equipment	-	4	(100.0)	-	(41)	(100.0)
Depreciation of property, plant and equipment	(643)	(597)	7.7	(1,875)	(1,394)	34.5
Amortisation of intangible assets	(40)	(129)	(69.0)	(116)	(305)	(62.0)
Allowance for inventory obsolescence	(156)	(37)	321.6	(483)	(290)	66.6
Operating lease expense	(818)	(425)	92.5	(2,501)	(1,212)	106.4
Research and development expense	(422)	(212)	99.1	(1,177)	(600)	96.2

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 Sep 2016 US$'000	31 Dec 2015 US$'000	30 Sep 2016 US$'000	31 Dec 2015 US$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	13,512	13,896	4	1
Investments in subsidiaries	-	-	53,373	53,155
Goodwill	9,352	9,352	-	-
Intangible assets	3,027	3,069	-	-
Available-for-sale financial assets	8	8	-	-
Deferred tax assets	685	723	-	-
Other receivables and prepayments	56	56	7,476	8,262
	26,640	27,104	60,853	61,418
Current Assets				
Due from subsidiaries	-	-	933	139
Inventories	29,181	27,859	-	-
Trade receivables	17,849	21,306	-	-
Other receivables and prepayments	3,566	3,973	4,077	5,705
Tax receivables	524	431	-	-
Cash and cash equivalents	11,457	8,866	1,331	1,637
	62,577	62,435	6,341	7,481
Total assets	**89,217**	**89,539**	**67,194**	**68,899**
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	(3,587)	(4,305)	(12,457)	(11,202)
Total equity	**55,180**	**54,462**	**60,127**	**61,382**
Non-current Liabilities				
Other payables	944	1,333	-	-
Deferred tax liabilities	171	171	-	-
	1,115	1,504	-	-
Current Liabilities				
Due to subsidiaries	-	-	6,610	4,653
Trade payables	19,476	19,392	-	-
Other payables	5,723	8,524	372	2,779
Borrowings	7,404	5,348	-	-
Provision for income tax	319	309	85	85
	32,922	33,573	7,067	7,517
Total liabilities	**34,037**	**35,077**	**7,067**	**7,517**
Total equity and liabilities	**89,217**	**89,539**	**67,194**	**68,899**

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 Sep 2016		As at 31 Dec 2015	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$'000	**US$'000**	**US$'000**	**US$'000**
7,404	-	5,348	-

Amount repayable after one year

As at 30 Sep 2016		As at 31 Dec 2015	
Secured	**Unsecured**	**Secured**	**Unsecured**
US$'000	**US$'000**	**US$'000**	**US$'000**
-	-	-	-

Details of any collateral

The loans of US$7,404,000 were secured over the subsidiaries' bank deposit of US$400,000, 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		Group	
	Q3 FY2016 US$'000	Q3 FY2015 US$'000	9 Months FY2016 US$'000	9 Months FY2015 US$'000
Cash Flows from Operating Activities				
Profit/(Loss) before income tax	1,192	(2,517)	849	(5,099)
Adjustments for:				
Depreciation of property, plant and equipment	643	597	1,875	1,394
Amortisation of intangible assets	40	129	116	305
(Gain)/Loss on disposal of property, plant and equipment	-	(4)	-	41
Allowance for inventory obsolescence	156	37	483	290
Unrealised exchange gain	(289)	(617)	(70)	(455)
Interest income	(1)	-	(13)	(15)
Interest expense	227	74	551	94
Share-based payments	45	88	218	134
Operating cash flow before working capital changes	**2,013**	**(2,213)**	**4,009**	**(3,311)**
Changes in working capital:				
Inventories	(2,563)	169	(1,802)	580
Trade receivables	(474)	(370)	3,481	335
Other receivables and prepayments	(819)	(165)	516	(665)
Trade and other payables	2,648	(1,693)	(468)	1,623
Cash generated from/(used in) operating activities	**805**	**(4,272)**	**5,736**	**(1,438)**
Interest paid	(302)	(74)	(534)	(94)
Income tax paid	(208)	(215)	(513)	(667)
Net cash generated from/(used in) operating activities	**295**	**(4,561)**	**4,689**	**(2,199)**
Cash Flows from Investing Activities				
Interest received	1	-	13	15
Purchase of property, plant and equipment	(256)	(100)	(1,371)	(335)
Proceeds from disposal of property, plant and equipment	-	6	-	6
Increase in capitalised development cost	-	(14)	-	(279)
Acquisition of subsidiary, net of cash acquired	-	501	-	501
Cash consideration paid for reverse acquisition	-	(5,500)	-	(5,500)
Decrease/(Increase) in restricted cash	-	2,016	5	(765)
Net cash used in investing activities	**(255)**	**(3,091)**	**(1,353)**	**(6,357)**
Cash Flows from Financing Activities				
Proceeds from borrowings	11,569	4,763	35,203	7,403
Repayment of borrowings	(9,765)	(5,998)	(33,069)	(6,164)
Proceeds from shareholders' loan	-	2,850	-	2,850
Repayment of shareholders' loan	(2,850)	-	(2,850)	-
Dividends paid	-	-	-	(1,078)
Purchase of treasury shares	-	(1,656)	-	(8,829)
Sale of treasury shares	-	-	-	2,361
Net cash used in financing activities	**(1,046)**	**(41)**	**(716)**	**(3,457)**

	Group		Group	
	Q3 FY2016 US$'000	**Q3 FY2015 US$'000**	**9 Months FY2016 US$'000**	**9 Months FY2015 US$'000**
Net (decrease)/increase in cash and cash equivalents	(1,006)	(7,693)	2,620	(12,013)
Cash and cash equivalents at the beginning of the period	11,066	15,955	7,448	20,555
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(16)	(474)	(24)	(754)
Cash and cash equivalents at the end of the period[(i)]	**10,044**	**7,788**	**10,044**	**7,788**

Note:

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

	Q3 FY2016 US$'000	**Q3 FY2015 US$'000**	**9 Months FY2016 US$'000**	**9 Months FY2015 US$'000**
Cash and bank balances	11,014	8,731	11,014	8,731
Fixed deposits	443	469	443	469
	11,457	9,200	11,457	9,200
Less: Restricted cash*	(1,413)	(1,412)	(1,413)	(1,412)
Cash and cash equivalents per the consolidated statement of cash flows	**10,044**	**7,788**	**10,044**	**7,788**

* Restricted cash includes cash collateral amounted to US$1,000,000 (9 Months FY2015: US$1,000,000) and fixed deposits amounted to US$400,000 (9 Months FY2015: US$400,000) pledged with the banks for facilities and loans granted to the Group. As at 30 September 2016, the Group had utilised US$7,404,000 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 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**
Share-based payments	-	-	-	-	45	-	-	-	45
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	91	-	(91)	-
Profit for the period	-	-	-	-	-	-	-	698	698
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(248)	-	(248)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(248)	698	450
Balance as at 30 Sep 2016	**60,423**	**(1,656)**	**(10,150)**	**6**	**571**	**(3,695)**	**(1,050)**	**10,731**	**55,180**

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 2015	**60,423**	**(3,421)**	**(10,150)**	**6**	**131**	**642**	**(360)**	**12,812**	**60,083**
Purchase of treasury shares	-	(3,424)	-	-	-	-	-	-	(3,424)
Share-based payments	-	-	-	-	22	-	-	-	22
Loss for the period	-	-	-	-	-	-	-	(933)	(933)
Other comprehensive income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	168	-	168
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	168	(933)	(765)
Balance as at 31 Mar 2015	**60,423**	**(6,845)**	**(10,150)**	**6**	**153**	**642**	**(192)**	**11,879**	**55,916**
Purchase of treasury shares	-	(3,749)	-	-	-	-	-	-	(3,749)
Sale of treasury shares	-	2,777	-	-	-	(416)	-	-	2,361
Share-based payments	-	-	-	-	24	-	-	-	24
Payment of dividends	-	-	-	-	-	-	-	(1,078)	(1,078)
Transfer to capital reserve in accordance with statutory requirements	-	-	-	-	-	53	-	(53)	-
Loss for the period	-	-	-	-	-	-	-	(1,907)	(1,907)
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(222)	-	(222)
Total other comprehensive loss for the period	-	-	-	-	-	-	(222)	(1,907)	(2,129)
Balance as at 30 Jun 2015	**60,423**	**(7,817)**	**(10,150)**	**6**	**177**	**279**	**(414)**	**8,841**	**51,345**
Purchase of treasury shares	-	(1,656)	-	-	-	-	-	-	(1,656)
Issuance of treasury shares	-	7,817	-	-	-	(4,065)	-	-	3,752
Share-based payments	-	-	-	-	88	-	-	-	88
Loss for the period	-	-	-	-	-	-	-	(2,711)	(2,711)
Other comprehensive loss:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	(941)	-	(941)
Total other comprehensive loss for the period	-	-	-	-	-	-	(941)	(2,711)	(3,652)
Balance as at 30 Sep 2015	**60,423**	**(1,656)**	**(10,150)**	**6**	**265**	**(3,786)**	**(1,355)**	**6,130**	**49,877**

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 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**
Share-based payments	-	-	45	-	-	-	45
Profit for the period	-	-	-	-	-	50	50
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	50	50
Balance as at 30 Sep 2016	**74,240**	**(1,656)**	**571**	**(4,481)**	**(2,067)**	**(6,480)**	**60,127**
Balance as at 1 Jan 2015	**74,240**	**(3,421)**	**131**	**-**	**1,714**	**(11,046)**	**61,618**
Purchase of treasury shares	-	(3,424)	-	-	-	-	(3,424)
Share-based payments	-	-	22	-	-	-	22
Loss for the period	-	-	-	-	-	(294)	(294)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	(2,296)	-	(2,296)
Total other comprehensive loss for the period	-	-	-	-	(2,296)	(294)	(2,590)
Balance as at 31 Mar 2015	**74,240**	**(6,845)**	**153**	**-**	**(582)**	**(11,340)**	**55,626**
Purchase of treasury shares	-	(3,749)	-	-	-	-	(3,749)
Sale of treasury shares	-	2,777	-	(416)	-	-	2,361
Share-based payments	-	-	24	-	-	-	24
Payment of dividends	-	-	-	-	-	(1,078)	(1,078)
Profit for the period	-	-	-	-	-	3,156	3,156
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	-	1,318	-	1,318
Total other comprehensive income for the period	-	-	-	-	1,318	3,156	4,474
Balance as at 30 Jun 2015	**74,240**	**(7,817)**	**177**	**(416)**	**736**	**(9,262)**	**57,658**
Purchase of treasury shares	-	(1,656)	-	-	-	-	(1,656)
Issuance of treasury shares	-	7,817	-	(4,065)	-	-	3,752
Share-based payments	-	-	89	-	-	-	89
Loss for the period	-	-	-	-	-	(249)	(249)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	(3,198)	-	(3,198)
Total other comprehensive loss for the period	-	-	-	-	(3,198)	(249)	(3,447)
Balance as at 30 Sep 2015	**74,240**	**(1,656)**	**266**	**(4,481)**	**(2,462)**	**(9,511)**	**56,396**

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.

9 Months FY2016	**No. of shares**	**US$'000**
Balance as at 1 Jan 2016 and 30 Sep 2016	271,662,227	72,584

9 Months FY2015	**No. of shares**	**US$'000**
Balance as at 1 Jan 2015	269,059,299	70,819
Purchase of treasury shares	(11,610,000)	(3,424)
Balance as at 31 Mar 2015	257,449,299	67,395
Purchase of treasury shares	(15,004,900)	(3,749)
Sale of treasury shares	12,000,000	2,777
Balance as at 30 Jun 2015	254,444,399	66,423
Purchase of treasury shares	(10,740,000)	(1,656)
Issuance of treasury shares pursuant to the acquisition of the entire equity interest in Satellite Acquisition Corporation	27,957,828	7,817
Balance as at 30 Sep 2015	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 September 2016 and 30 September 2015.

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 Sep 2016	**31 Dec 2015**
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.

9 Months FY2016	**No. of shares**	**US$'000**
Balance as at 1 Jan 2016 and 30 Sep 2016	10,740,072	1,656

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 September 2016 as those used in the audited financial statements for the year ended 31 December 2015, except for the adoption of the new or revised International Financial Reporting Standards ("IFRS") applicable for the financial period beginning 1 January 2016.

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 2016 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**	
	Q3 FY2016 US$	**Q3 FY2015 US$**	**9 Months FY2016 US$**	**9 Months FY2015 US$**
(a) Based on weighted average number of ordinary shares on issue; and	0.26 cent	(1.04) cents	0.10 cent	(2.14) cents
(b) On a fully diluted basis	0.26 cent	(1.04) cents	0.10 cent	(2.13) cents
Weighted average number of ordinary shares used in computation of basic earnings per share	271,662,227	259,528,197	271,662,227	259,528,197
Weighted average number of ordinary shares used in computation of diluted earnings per share	271,763,615	259,528,197	271,662,227	260,405,588

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 Sep 2016 US$	**31 Dec 2015 US$**	**30 Sep 2016 US$**	**31 Dec 2015 US$**
Net asset value ("NAV") per ordinary share based on issued share capital	20.31 cents	20.05 cents	22.13 cents	22.59 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$32.1 million in Q3 FY2016, US$0.1 million lower than US$32.2 million in Q3 FY2015. It recognised three months' revenue contribution of US$10.4 million in Q3 FY2016 from its latest acquisition, Satellite Acquisition Corporation ("Global Skyware") of the United States. Despite the reduction in its Contract Manufacturing segment of US$2.4 million and lower sales orders in Asia in Q3 FY2016 against Q3 FY2015, the Group's revenue for the nine months ended 30 September 2016 increased 11.8% to US$96.3 million from US$86.2 million a year ago.

By geography, with the inclusion of Global Skyware, revenue for Q3 FY2016 from America and Europe increased by US$2.3 million (+11.9%) and US$0.5 million (+6.9%), respectively; offset by a fall in revenue from Asia and the Rest of the World by US$2.1 million (-61.5%) and US$0.8 million (-54.6%), respectively, against Q3 FY2015.

Gross Profit

Gross profit increased by US$0.9 million or 15.4% to US$7.2 million in Q3 FY2016 from US$6.3 million in Q3 FY2015. Gross profit margin improved to 22.6% in Q3 FY2016 from 19.5% in Q3 FY2015. Excluding Global Skyware, gross profit margin would have risen by 4.8% against Q3 FY2015 to 29.0% in Q3 FY2016. The favourable product mix variation, efficiency improvement and Group-wide factory cost control have resulted in the increased gross profit margin.

Administrative Expenses

Administrative expenses decreased significantly to US$5.7 million in Q3 FY2016 from US$8.7 million in Q3 FY2015, representing 17.9% and 27.1% of revenue, respectively. This was primarily due to the absence of professional fees in relation to the acquisition of Global Skyware and the reduction in legal costs on a dispute with a supplier that was incurred in Q3 FY2015, cost savings incurred from streamlining programmes, as well as a restructuring and rationalisation exercise in FY2016.

Finance Costs

The increase in finance costs was mainly attributable to the increase in borrowings in Q3 FY2016 relating to Global Skyware.

Profit before Tax & Net Profit

The Group recorded a profit before tax of US$1.2 million in Q3 FY2016 compared to a loss before tax of US$2.5 million in Q3 FY2015, with a positive margin of 3.7% compared to a negative margin of 7.8%, respectively. On an organic basis, excluding the loss from Global Skyware, the Group would have posted a profit before tax in the quarter of US$1.6 million.

Overall, the Group posted a net profit of US$0.7 million in Q3 FY2016 compared to a net loss of US$2.7 million in Q3 FY2015, with a positive margin of 2.2% compared to a negative margin of 8.4%, respectively. On an organic basis, excluding Global Skyware, the Group would have posted a net profit of US$1.1 million.

Review of Financial Position

Non-current assets decreased primarily with the depreciation of property, plant and equipment.

Net current assets increased by US$0.8 million to US$29.7 million as at 30 September 2016 compared to US$28.9 million as at 31 December 2015. Inventories increased by US$1.3 million in preparation of anticipated and confirmed orders for the next few months and improved collections has resulted in trade and other receivables decreased by US$3.9 million. The repayment of the shareholders' loan has also resulted in the decrease of other payables by US$2.8 million. On the other hand, borrowings increased by US$2.0 million to US$7.4 million and cash and cash equivalents improved by US$2.6 million to US$11.5 million as at 30 September 2016.

Non-current liabilities decreased by US$0.4 million due to the release of a provision for litigation that the Group settled with a former supplier.

The Group's net asset value stood at US$55.2 million as at 30 September 2016, compared to US$54.5 million as at 31 December 2015.

Review of Cash Flows

Net cash generated from operating activities was US$0.3 million, comprising cash inflow from operating cash activities before working capital changes of US$2.0 million, net working capital outflow of US$1.2 million and payment of interest and income tax expense of US$0.5 million.

Net cash used in investing activities was US$0.3 million, mainly comprising the purchase of machinery and equipment.

Net cash used in financing activities was US$1.0 million, arising from the repayment of shareholders' loan, offset by the receipt of bank loans.

Overall, the Group recorded a net decrease in cash and cash equivalents of US$1.0 million in Q3 FY2016, bringing cash and cash equivalents per the consolidated statement of cash flows to US$10.0 million as at 30 September 2016.

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

No forecast or prospect statement was made by the Company in the previous announcement made on 4 August 2016.

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 Q3 FY2016 results mark the Group's second consecutive quarter of profitability. The Group intends to build on this turnaround in the coming quarters as it continues to reap the benefits of its restructuring and cost improvement initiatives.

The integration of the Group's US subsidiary, Raven Antenna Systems – previously trading as Skyware Global – has progressed significantly although there are still further improvements and research and development projects to complete. Since completing the acquisition on 24 August 2015, the subsidiary has been rebranded as Global Skyware to bring the business in line with the Group's wider brand and to fully consolidate its US supply chain. The Group will recognise Global Skyware's first full-year revenue contributions in FY2016.

Further to the announcement of 8 November 2016, the Group is exploring the potential consolidation of its activities in China under its wholly-owned subsidiary, Global Invacom Manufacturing (Shanghai) Co., Ltd ("Shanghai subsidiary"), to optimise manufacturing cost efficiencies. Critical equipment and customer inventory from the Group's Shenzhen subsidiary, Radiance Electronics (Shenzhen) Co., Ltd, may be transferred to the Shanghai subsidiary. The Group will announce any material developments relating to this matter as and when appropriate.

The Group believes the expected launch of two new communication satellites in the coming months by a leading US broadcaster will underpin demand for its next-generation Satellite Communications ("Sat Comms") products. Worldwide, the global satellite manufacturing and launch market is expected to grow at a CAGR of 5.14% between 2014 and 2019.* Developing markets in Latin America, the Middle East and Southeast Asia continue to offer potential for the adoption of new Sat Comms services.

Despite global concerns about Britain's economic prospects following its decision in June to leave the European Union ("Brexit"), the Group remains upbeat about its Sat Comms business. The weakening of the British Pound against major currencies has provided, and is expected to continue to provide, short-term foreign exchange benefits for the Group's UK-based operating costs. Pending the outcome of a UK parliamentary vote on Brexit – as announced by a UK High Court recently – the Group will consider establishing a logistics hub in an EU country to continue tariff-free transactions via a possible UK-EU Free Trade Agreement that may need to be negotiated. Revenue from the Group's Sat Comms sales is predominantly transacted in US Dollars, as well as the bulk of its raw material spend.

The Group remains mindful of the significant technology change that recently swept the satellite ground equipment industry with the introduction of digital channel stacking switch ("DCSS") technology, which allows up to 32 continuous video streams from a single Low Noise Block ("LNB"). This impacted the Group's FY2015 performance as major customers had to destock, and is likely to persist for the remainder of 2H FY2016.

The Group has completed research on next-generation LNBs that support DCSS, and has secured approval to supply LNBs from a main customer. It is one of only two main suppliers for this project. This approval marks a significant achievement for the Group, which has invested in the new generation of LNBs since 2014. The Group expects to deploy the DCSS technology across its LNBs for all customers and territories. Delivery of the new products will commence in Q4 FY2016, following which the Group will supply similar LNBs to other customers.

**Source: The Satellite Industry Association's 2015 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/recommended, a statement to that effect.

No dividend has been declared or recommended for the nine months period ended 30 September 2016.

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 nine months period ended 30 September 2016.

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 nine months period ended 30 September 2016 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
Chairman

11 November 2016

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