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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2022

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A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group		
	1H FY2022 US\$'000	1H FY2021 US\$'000	Increase/ (Decrease) %
Revenue	37,420	40,439	(7.5)
Cost of sales	(30,051)	(31,653)	(5.1)
Gross profit	7,369	8,786	(16.1)
Other income	37	1,478	(97.5)
Distribution costs	(156)	(137)	13.9
Administrative expenses	(8,106)	(8,460)	(4.2)
Research and development expenses	(1,969)	(2,417)	(18.5)
Other operating expenses	(257)	(52)	394.2
Finance income	-	30	(100.0)
Finance costs	(171)	(352)	(51.4)
Loss before income tax	(3,253)	(1,124)	189.4
Income tax expense	(39)	(54)	(27.8)
Loss for the period	(3,292)	(1,178)	179.5
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translation of foreign subsidiaries	(19)	325	N.M.
Other comprehensive (loss)/income for the period, net of tax	(19)	325	N.M.
Total comprehensive loss for the period	(3,311)	(853)	97.1
Loss for the period attributable to:			
Equity holders of the Company	(3,289)	(1,177)	179.4
Non-controlling interests	(3)	(1)	200.0
	(3,292)	(1,178)	179.5
Total comprehensive loss for the period attributable to:			
Equity holders of the Company	(3,308)	(852)	288.2
Non-controlling interests	(3)	(1)	200.0
	(3,311)	(853)	97.1

N.M.: Not Meaningful

B. Condensed Interim Statements of Financial Position

	Group		Company	
	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
ASSETS				
Non-current Assets				
Property, plant and equipment	7,495	8,126	-	20
Right-of-use assets	3,608	4,396	104	39
Investments in subsidiaries	-	-	25,375	25,375
Goodwill	6,092	6,092	-	-
Intangible assets	1,553	1,698	-	-
Deferred tax assets	1,780	1,780	-	-
Other receivables and prepayments	54	54	11,297	11,032
	20,582	22,146	36,776	36,466
Current Assets				
Due from subsidiaries	-	-	3,201	3,265
Inventories	25,172	25,764	-	-
Trade receivables	9,612	13,772	-	-
Other receivables and prepayments	5,602	5,302	2,098	2,588
Tax receivables	218	169	-	-
Cash and cash equivalents	10,000	10,771	325	155
	50,604	55,778	5,624	6,008
Total assets	71,186	77,924	42,400	42,474
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	(14,691)	(11,383)	(30,706)	(30,462)
Equity attributable to owners of the Company	44,076	47,384	41,878	42,122
Non-controlling interests	(22)	(19)	-	-
Total equity	44,054	47,365	41,878	42,122
Non-current Liabilities				
Other payables	152	152	-	-
Lease liabilities	2,907	3,088	-	-
Deferred tax liabilities	646	646	-	-
	3,705	3,886	-	-
Current Liabilities				
Due to subsidiaries	-	-	-	1
Trade payables	12,089	14,479	-	-
Other payables	4,555	4,447	422	313
Borrowings	5,714	6,120	-	-
Lease liabilities	1,069	1,627	100	38
	23,427	26,673	522	352
Total liabilities	27,132	30,559	522	352
Total equity and liabilities	71,186	77,924	42,400	42,474

C. Condensed Interim Statements of Changes in Equity

Group	Share capital US\$'000	Treasury shares US\$'000	Merger reserves US\$'000	Capital redemption reserves US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Retained profits US\$'000	Attributable to equity holders of the Company US\$'000	Non-controlling interests US\$'000	Total US\$'000
Balance as at 1 January 2022	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,084)	4,229	47,384	(19)	47,365
Loss for the period	-	-	-	-	-	-	-	(3,289)	(3,289)	(3)	(3,292)
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(19)	-	(19)	-	(19)
Total other comprehensive loss for the period	-	-	-	-	-	-	(19)	(3,289)	(3,308)	(3)	(3,311)
Balance as at 30 June 2022	60,423	(1,656)	(10,150)	6	725	(5,109)	(1,103)	940	44,076	(22)	44,054
Balance as at 1 January 2021	60,423	(1,656)	(10,150)	6	725	(5,109)	(964)	3,668	46,943	(16)	46,927
Loss for the period	-	-	-	-	-	-	-	(1,177)	(1,177)	(1)	(1,178)
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	325	-	325	-	325
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	325	(1,177)	(852)	(1)	(853)
Balance as at 30 June 2021	60,423	(1,656)	(10,150)	6	725	(5,109)	(639)	2,491	46,091	(17)	46,074

C. Condensed Interim Statements of Changes in Equity (cont'd)

Company	Share capital US\$'000	Treasury shares US\$'000	Share options reserve US\$'000	Capital reserve US\$'000	Foreign currency translation reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2022	74,240	(1,656)	725	(4,481)	(2,506)	(24,200)	42,122
Loss for the period	-	-	-	-	-	(244)	(244)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(244)	(244)
Balance as at 30 June 2022	74,240	(1,656)	725	(4,481)	(2,506)	(24,444)	41,878
Balance as at 1 January 2021	74,240	(1,656)	725	(4,481)	(2,506)	(22,040)	44,282
Loss for the period	-	-	-	-	-	(139)	(139)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(139)	(139)
Balance as at 30 June 2021	74,240	(1,656)	725	(4,481)	(2,506)	(22,179)	44,143

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H FY2022 US\$'000	1H FY2021 US\$'000
Cash Flows from Operating Activities		
Loss before income tax	(3,253)	(1,124)
Adjustments for:		
Depreciation of property, plant and equipment	895	1,143
Amortisation of intangible assets	141	266
Depreciation of right-of-use assets	847	996
Gain on disposal of property, plant and equipment	(5)	(1,143)
Allowance/(Write-back) for inventory obsolescence	255	(2)
Impairment loss of trade receivables	175	-
Bad debts written off	-	17
Unrealised exchange (gain)/loss	(67)	124
Interest income	-	(30)
Interest expense	171	352
Gain on lease modifications	-	(207)
Operating cash flow before working capital changes	(841)	392
Changes in working capital:		
Inventories	337	1,104
Trade receivables	3,944	(2,702)
Other receivables and prepayments	(340)	422
Trade and other payables	(2,016)	(2,424)
Cash generated from/(used in) operating activities	1,084	(3,208)
Interest paid	(196)	(116)
Income tax paid	(122)	(2)
Net cash generated from/(used in) operating activities	766	(3,326)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(251)	(679)
Proceeds from disposal of property, plant and equipment	5	581
Net cash used in investing activities	(246)	(98)
Cash Flows from Financing Activities		
Proceeds from borrowings	17,177	17,026
Repayment of borrowings	(17,583)	(14,710)
Principal payment of lease liabilities	(877)	(740)
Net cash (used in)/generated from financing activities	(1,283)	1,576
Net decrease in cash and cash equivalents	(763)	(1,848)
Cash and cash equivalents at the beginning of the period	10,771	11,273
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(8)	10
Cash and cash equivalents at the end of the period	10,000	9,435

E. Notes to the Condensed Interim Consolidated Financial Statements

1. General Information

Global Invacom Group Limited (the “Company”) is a public limited company incorporated and domiciled in Singapore and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company is also listed on the AIM Market of the London Stock Exchange (“AIM”) in the United Kingdom (UK). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (the “Group”). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are design, manufacture and supply of a full range of satellite ground equipment, including antennas, LNB receivers, transceivers, fibre distribution equipment, transmitters, switches and video distribution components.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s and International Financial Reporting Standards (“IFRSs”), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2021, except for the adoption of new or revised SFRS(I) and interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for the financial year beginning on or after 1 January 2022. The adoption of these SFRS(I) and INT SFRS(I) has no significant impact on the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – capitalised development costs
- Note 11 – impairment test on property, plant and equipment

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

2. Basis of Preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – impairment test of goodwill: key assumptions underlying recoverable amounts
- Note 11 – useful lives of property, plant and equipment

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months ended 30 June 2022.

4. Segment and Revenue Information

The Group is organised into the following main business segments:

- Satellite Communications ("Sat Comms"); and
- Contract Manufacturing ("CM")

These operating segments are reported in a manner consistent with internal reporting provided to the executive directors who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

	Sat Comms US\$'000	CM US\$'000	Group US\$'000
1H FY2022			
Revenue	37,420	-	37,420
Operating loss	(2,999)	(83)	(3,082)
Finance costs			(171)
Income tax expense			(39)
Loss for the period			(3,292)
Amortisation of intangible assets	141	-	
Depreciation of property, plant and equipment	895	-	
Depreciation of right-of-use assets	847	-	
Addition to property, plant and equipment	251	-	
Impairment loss on trade receivables	175	-	
Allowance for inventory obsolescence, net	255	-	

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

4. Segment and Revenue Information (cont'd)

4.1 Reportable segments (cont'd)

	Sat Comms US\$'000	CM US\$'000	Group US\$'000
Assets and liabilities			
Segment assets	67,324	1,262	68,586
<u>Unallocated assets</u>			
- Other receivables			63
- Deferred tax assets			1,780
- Cash and cash equivalents			325
- Tax receivables			218
- Right-of-use assets			214
Total assets			<u>71,186</u>
Segment liabilities	20,179	-	20,179
<u>Unallocated liabilities</u>			
- Other payables			493
- Deferred tax liabilities			646
- Borrowings			5,714
- Lease liabilities			100
Total liabilities			<u>27,132</u>
1H FY2021			
Revenue	40,439	-	40,439
Operating loss	(785)	(17)	(802)
Finance income			30
Finance costs			(352)
Income tax expense			(54)
Loss for the period			<u>(1,178)</u>
Amortisation of intangible assets	266	-	266
Depreciation of property, plant and equipment	1,143	-	1,143
Depreciation of right-of-use assets	996	-	996
Addition to property, plant and equipment	679	-	679
Bad debts written off	-	17	17
Gain on lease modifications	(207)	-	(207)
Write-back of inventory obsolescence, net	(2)	-	(2)
Assets and liabilities			
Segment assets	70,826	1,825	72,651
<u>Unallocated assets</u>			
- Non-current assets			46
- Other receivables			85
- Deferred tax assets			1,363
- Cash and cash equivalents			500
- Tax receivables			1
- Right-of-use assets			105
Total assets			<u>74,751</u>
Segment liabilities	19,581	1,570	21,151
<u>Unallocated liabilities</u>			
- Other payables			334
- Provision for income tax			255
- Deferred tax liabilities			634
- Borrowings			6,199
- Lease liabilities			104
Total liabilities			<u>28,677</u>

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

4. Segment and Revenue Information (cont'd)

4.2 Disaggregation of revenue

The Group's revenue is disaggregated by principal geographical areas, major product lines and timing of revenue recognition.

	Group	
	1H FY2022 US\$'000	1H FY2021 US\$'000
Principal geographical market		
<u>America</u>		
- Sale of goods	17,395	23,165
<u>Europe</u>		
- Sale of goods	11,488	10,997
<u>Asia</u>		
- Sale of goods	1,219	1,209
<u>Rest of the World</u>		
- Sale of goods	7,318	5,068
 Total	37,420	40,439
 Major product lines		
Sale of goods	37,420	40,439

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

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

5. Financial Assets and Financial Liabilities (cont'd)

5.1 Significant items

	Group	
	1H FY2022 US\$'000	1H FY2021 US\$'000
Interest income	-	30
Interest expense	(171)	(352)
Gain on disposal of property, plant and equipment	5	1,143
Gain on lease modifications	-	207
Gain/(Loss) on foreign exchange	30	(34)
Impairment loss on trade receivables	(175)	-
Bad debts written off	-	(17)
(Allowance)/Write-back of inventory obsolescence	(255)	2
Depreciation of property, plant and equipment	(895)	(1,143)
Depreciation of right-of-use assets	(847)	(996)
Amortisation of intangible assets	(141)	(266)

5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

6. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

7. Earnings Per Share

Earnings per ordinary share of the Group, after deducting any provision for preference dividends	Group	
	1H FY2022 US\$	1H FY2021 US\$
(a) Based on weighted average number of ordinary shares on issue; and	(1.21) cents	(0.43) cent
(b) On a fully diluted basis	(1.21) cents*	(0.43) 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	271,662,227	271,662,227

* Diluted earnings per share are the same as the basic earnings per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversion would be to increase the earnings per share.

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

8. Net Asset Value

	Group		Company	
	30 Jun 2022 US\$	31 Dec 2021 US\$	30 Jun 2022 US\$	31 Dec 2021 US\$
Net asset value per ordinary share based on issued share capital	16.22 cents	17.44 cents	15.42 cents	15.51 cents
Total number of issued shares	271,662,227	271,662,227	271,662,227	271,662,227

9. Intangible Assets

	Trading name US\$'000	Intellectual property rights US\$'000	Capitalised development costs US\$'000	Total US\$'000
Group 2022				
<u>Cost</u>				
Balance at 1 January and 30 June	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	1,043	4,767	5,826
Amortisation charge	-	74	67	141
Currency realignment	-	4	-	4
Balance at 30 June	16	1,121	4,834	5,971
<u>Net book value</u>				
Balance at 30 June	-	1,553	-	1,553
2021				
<u>Cost</u>				
Balance at 1 January and 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	757	4,460	5,233
Amortisation charge	-	284	307	591
Currency realignment	-	2	-	2
Balance at 31 December	16	1,043	4,767	5,826
<u>Net book value</u>				
Balance at 31 December	-	1,631	67	1,698

10. Goodwill

	Group	
	30 June 2022 US\$'000	31 December 2021 US\$'000
<u>Cost</u>		
Balance at the beginning and end of the period	9,352	9,352
<u>Allowance for impairment loss</u>		
Balance at the beginning and end of the period	3,260	3,260
Net carrying amount	6,092	6,092

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

11. Goodwill (cont'd)

11.1 Allocation of goodwill

Goodwill has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as follows:

	30 June 2022 US\$'000	Group 31 December 2021 US\$'000
Satellite Communications		
- OnePath Networks Limited ("OPN") – Israel	893	893
- Satellite Acquisition Corporation ("SAC") – United States of America	5,199	5,199
	<u>6,092</u>	<u>6,092</u>

12. Property, Plant and Equipment

	Freehold property US\$'000	Machinery & equipment US\$'000	Furniture, fittings & equipment US\$'000	Motor vehicles US\$'000	Renovations US\$'000	Total US\$'000
Group 2022						
<u>Cost</u>						
Balance at 1 January	2,871	17,907	7,813	40	1,438	30,069
Currency realignment	-	3	(2)	-	(1)	-
Additions	-	240	11	-	-	251
Disposals	-	(159)	(2)	-	-	(161)
Balance at 30 June	<u>2,871</u>	<u>17,991</u>	<u>7,820</u>	<u>40</u>	<u>1,437</u>	<u>30,159</u>
<u>Accumulated Depreciation</u>						
Balance at 1 January	960	12,523	7,244	40	1,176	21,943
Currency realignment	-	(10)	(2)	-	(1)	(13)
Depreciation charge	-	873	21	-	1	895
Disposals	-	(159)	(2)	-	-	(161)
Balance at 30 June	<u>960</u>	<u>13,227</u>	<u>7,261</u>	<u>40</u>	<u>1,176</u>	<u>22,664</u>
<u>Net book value</u>						
Balance at 30 June	<u>1,911</u>	<u>4,764</u>	<u>559</u>	<u>-</u>	<u>261</u>	<u>7,495</u>
2021						
<u>Cost</u>						
Balance at 1 January	2,883	17,639	7,649	40	1,458	29,669
Currency realignment	-	(19)	12	-	(1)	(8)
Additions	-	814	152	-	97	1,063
Disposals	(12)	(527)	-	-	(116)	(655)
Balance at 31 December	<u>2,871</u>	<u>17,907</u>	<u>7,813</u>	<u>40</u>	<u>1,438</u>	<u>30,069</u>
<u>Accumulated Depreciation</u>						
Balance at 1 January	928	11,187	6,969	40	1,135	20,259
Currency realignment	44	322	-	-	70	436
Depreciation charge	-	1,541	275	-	87	1,903
Disposals	(12)	(527)	-	-	(116)	(655)
Balance at 31 December	<u>960</u>	<u>12,523</u>	<u>7,244</u>	<u>40</u>	<u>1,176</u>	<u>21,943</u>
<u>Net book value</u>						
Balance at 31 December	<u>1,911</u>	<u>5,384</u>	<u>569</u>	<u>-</u>	<u>262</u>	<u>8,126</u>

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

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

	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
Company			
2022			
<u>Cost</u>			
Balance at 1 January and 30 June	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	192	79	271
Depreciation charge	19	1	20
Balance at 30 June	211	80	291
<u>Net book value</u>			
Balance at 30 June	-	-	-
2021			
<u>Cost</u>			
Balance at 1 January and 31 December	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	137	72	209
Depreciation charge	55	7	62
Balance at 31 December	192	79	271
<u>Net book value</u>			
Balance at 31 December	19	1	20

13. Investment in Subsidiaries

	Company	
	30 Jun 2022 US\$'000	31 Dec 2021 US\$'000
Unquoted equity shares, at cost	40,533	40,533
Accounting for employee share options	725	725
Currency realignment	131	131
Less: Allowance for impairment loss	(16,014)	(16,014)
	<u>25,375</u>	<u>25,375</u>

Movement in the allowance for impairment loss are as follows:

At the beginning of the period	16,014	14,287
Impairment loss recognised during the period	-	1,727
At the end of the period	<u>16,014</u>	<u>16,014</u>

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

13. Investment in Subsidiaries (cont'd)

Allowance for impairment loss

(i) Global Invacom Manufacturing Pte Ltd (“GIMPL”)

As at 30 June 2022 and 31 December 2021, an allowance for impairment loss of US\$8,648,000 was made on the cost of investment in GIMPL, as the allocated CGU, to which the investment relates to, was incurring losses from operations due to the restructuring costs incurred. The recoverable amount was based on management’s estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIMPL, which is considered to be Level 3 in the fair value hierarchy.

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

As at 30 June 2022 and 31 December 2021, an allowance for impairment loss of US\$7,366,000 was made on the cost of investment in GIHL Group, as the allocated CGU, to which the investment relates to, was incurring losses from operations. The recoverable amount was based on management’s estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIHL Group, which is considered to be Level 3 in the fair value hierarchy.

14. Borrowings

Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 2022		As at 31 Dec 2021	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
5,714	-	6,120	-

Amount repayable after one year

As at 30 Jun 2022		As at 31 Dec 2021	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The revolving credit loans of US\$5,714,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

15. Share Capital

1H FY2022	No. of shares	US\$'000
Balance as at 1 Jan 2022 and 30 Jun 2022	271,662,227	72,584
1H FY2021	No. of shares	US\$'000
Balance as at 1 Jan 2021 and 30 Jun 2021	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 30 June 2022 and 30 June 2021 and there were no subsidiary holdings.

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

15. Share Capital (cont'd)

Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year:

	30 Jun 2022	31 Dec 2021
Total number of issued shares excluding treasury shares	271,662,227	271,662,227

Total number of treasury shares as at the end of the current financial period reported on:

1H FY2022	No. of shares	US\$'000
Balance as at 1 Jan 2022 and 30 Jun 2022	<u>10,740,072</u>	<u>1,656</u>

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Global Invacom Group Limited and its subsidiaries as at 30 June 2022 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of financial position, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the auditors.

2. Review of Performance of the Group

2.1 Review of Financial Performance

Revenue

The Group's revenue for the six months ended 30 June 2022 ("1H FY2022") decreased by 7.5% to US\$37.4 million from US\$40.4 million in the prior year ("1H FY2021"). The ongoing shortage of semiconductors globally and the delay in the launch of Jupiter 3 continue to impact the Group's ability to satisfy existing orders and generate associated additional revenue.

Geographically, the Group's revenue for 1H FY2022 decreased in America by US\$5.8 million (-24.9%), partially offset by an increase in Europe, Asia and Rest of the World by US\$0.5 million (+4.5%), US\$0.01 million (+0.8%) and US\$2.3 million (+44.4%), respectively.

Gross Profit

The decrease in revenue has resulted in a 16.1% decrease in gross profit from US\$8.8 million in 1H FY2021 to US\$7.4 million in 1H FY2022. Gross profit margin has decreased marginally by 2.0 percentage points from 21.7% to 19.7%, impacted by cost price increases, compounded by labour shortages.

Other Income

Other income in 1H FY2022 were mainly from gains on the disposal of equipment and foreign exchange gains. Other income in 1H FY2021 were mainly from gains on the disposal of equipment of US\$1.1 million, gain on lease modifications of US\$0.2 million, with the remainder comprised subsidy support received from various government bodies across the Group due to the pandemic.

Administrative and Research and Development Expenses

Administrative expenses, together with research and development expenses, for 1H FY2022 decreased 7.4% to US\$10.1 million compared to US\$10.9 million in 1H FY2021, representing 26.9% of revenue in both periods. The ongoing cost control measures across the Group to streamline certain core functions, in line with the challenging market dynamics, have resulted in lower administrative expenses being incurred, whilst not impacting its offering to the customers.

Other Operating Expenses

Other operating expenses in 1H FY2022 were attributed mainly to impairment loss on trade receivables and final liquidation fees of a subsidiary in China.

Loss Before Tax & Net Loss

The Group posted a loss before tax of US\$3.3 million in 1H FY2022, compared to a loss before tax of US\$1.1 million in 1H FY2021.

Overall, the Group posted a net loss of US\$3.3 million in 1H FY2022, compared to a net loss of US\$1.2 million in 1H FY2021.

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

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

2.2 Review of Financial Position

Non-current assets decreased by US\$1.6 million to US\$20.6 million as at 30 June 2022, due to the depreciation of plant and equipment, the right-of-use assets and the amortisation of intangible assets.

Net current assets decreased by US\$1.9 million to US\$27.2 million as at 30 June 2022 compared to US\$29.1 million as at 31 December 2021. Inventories, trade and other receivables and trade and other payables decreased by US\$0.6 million, US\$3.9 million and US\$2.3 million respectively, with the decrease in sales. Tax receivables increased by US\$0.1 million to US\$0.2 million.

Cash and cash equivalents decreased by US\$0.8 million to US\$10.0 million as at 30 June 2022 from US\$10.8 million at 31 December 2021 and borrowings decreased by US\$0.4 million to US\$5.7 million as at 30 June 2022 from US\$6.1 million as at 31 December 2021.

Repayment of leases has resulted in a decrease of US\$0.6 million in the current portion of lease liabilities and US\$0.2 million in the non-current portion of lease liabilities.

The Group's net asset value stood at US\$44.1 million as at 30 June 2022, compared to US\$47.4 million as at 31 December 2021.

2.3 Review of Cash Flows

In 1H FY2022, net cash generated from operating activities amounted to US\$0.8 million, comprising US\$0.8 million cash outflow from operating activities (before working capital changes), US\$1.9 million net working capital inflow and US\$0.3 million payment of interest and income tax.

Net cash used in investing activities in 1H FY2022 amounted to US\$0.3 million, mainly due to the purchase of machinery and equipment, set off against the proceeds from the disposal of machinery and equipment.

Net cash used in financing activities amounted to US\$1.3 million in 1H FY2022, attributable to the repayment of borrowings and lease liabilities.

Overall, the Group recorded a net decrease in cash and cash equivalents amounting to US\$0.8 million in 1H FY2022, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$10.0 million as at 30 June 2022.

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

No prospect statement was made.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's financial and operational performance in the next reporting period and the next 12 months will continue to be influenced by the much-publicised shortage of semiconductors globally, which continues to impact the Company's ability to satisfy existing orders and generate associated additional revenue. Furthermore, the Group continues to be impacted by cost price increases, compounded by labour challenges as well as business challenges faced by our customers.

As a direct consequence of the above external factors, the Group continues to assess its cost base to streamline certain core functions and continues to reduce administrative costs, whilst not impacting its offering to customers.

Given the market challenges that the Group has faced over the past two years and what may become "new normals", the Group has embarked on a business review exercise, to better manage our operations, and to improve the performance of the Group.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the six months ended 30 June 2022.

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

7. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPTs mandate has been obtained, a statement to that effect.

The Company does not have a shareholders' mandate for IPTs for the six months ended 30 June 2022.

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the "Company"), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the six months ended 30 June 2022 to be false or misleading in any material aspect.

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

Global Invacom Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board

Anthony Brian Taylor
Executive Director

Gordon Blaikie
Executive Director

BY ORDER OF THE BOARD
Anthony Brian Taylor
Executive Chairman

12 August 2022

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