



**global invacom**  
completing the picture

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
For the Six Months and Full Year Ended 31 December 2021

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**A. Condensed Interim Consolidated Statement of Comprehensive Income**

	Group			Group		
	2H FY2021 US\$'000	2H FY2020 US\$'000	Increase/ (Decrease) %	FY2021 US\$'000	FY2020 US\$'000	Increase/ (Decrease) %
<b>Revenue</b>	<b>42,102</b>	<b>50,285</b>	<b>(16.3)</b>	<b>82,541</b>	<b>103,058</b>	<b>(19.9)</b>
Cost of sales	(34,338)	(36,930)	(7.0)	(65,991)	(77,353)	(14.7)
Gross profit	7,764	13,355	(41.9)	16,550	25,705	(35.6)
Other income	4,007	2,099	90.9	5,485	2,224	146.6
Distribution costs	(231)	(67)	244.8	(368)	(182)	102.2
Administrative expenses	(7,458)	(9,410)	(20.7)	(15,918)	(18,020)	(11.7)
Research and development expenses	(2,579)	(2,549)	1.2	(4,996)	(4,969)	0.5
Other operating expenses	(211)	(516)	(59.1)	(263)	(894)	(70.6)
Finance income	-	1	(100.0)	1	22	(95.5)
Finance costs	(196)	(333)	(41.1)	(519)	(762)	(31.9)
<b>Profit/(Loss) before income tax</b>	<b>1,096</b>	<b>2,580</b>	<b>(57.5)</b>	<b>(28)</b>	<b>3,124</b>	<b>N.M.</b>
Income tax credit/(expense)	640	(313)	N.M.	586	(515)	N.M.
<b>Profit for the period/year</b>	<b>1,736</b>	<b>2,267</b>	<b>(23.4)</b>	<b>558</b>	<b>2,609</b>	<b>(78.6)</b>
<b>Other comprehensive (loss)/income:</b>						
Items that may be reclassified subsequently to profit or loss						
- Exchange differences on translation of foreign subsidiaries	(445)	358	N.M.	(120)	253	N.M.
<b>Other comprehensive (loss)/income for the period/year, net of tax</b>	<b>(445)</b>	<b>358</b>	<b>N.M.</b>	<b>(120)</b>	<b>253</b>	<b>N.M.</b>
<b>Total comprehensive income for the period/year</b>	<b>1,291</b>	<b>2,625</b>	<b>(50.8)</b>	<b>438</b>	<b>2,862</b>	<b>(84.7)</b>
Profit for the period/year attributable to:						
Equity holders of the Company	1,738	2,269	(23.4)	561	2,614	(78.5)
Non-controlling interests	(2)	(2)	0.0	(3)	(5)	(40.0)
	<b>1,736</b>	<b>2,267</b>	<b>(23.4)</b>	<b>558</b>	<b>2,609</b>	<b>(78.6)</b>
Total comprehensive income/(loss) for the period/year attributable to:						
Equity holders of the Company	1,293	2,627	(50.8)	441	2,867	(84.6)
Non-controlling interests	(2)	(2)	0.0	(3)	(5)	(40.0)
	<b>1,291</b>	<b>2,625</b>	<b>(50.8)</b>	<b>438</b>	<b>2,862</b>	<b>(84.7)</b>

N.M.: Not Meaningful

**B. Condensed Interim Statements of Financial Position**

	Group		Company	
	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000	31 Dec 2021 US\$'000	31 Dec 2020 US\$'000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	8,126	9,410	20	82
Right-of-use assets	4,396	6,340	39	162
Investments in subsidiaries	-	-	25,375	27,102
Goodwill	6,092	6,092	-	-
Intangible assets	1,698	2,291	-	-
Other financial assets	-	8	-	-
Deferred tax assets	1,780	1,363	-	-
Other receivables and prepayments	54	54	11,032	10,563
	22,146	25,558	36,466	37,909
<b>Current Assets</b>				
Due from subsidiaries	-	-	3,265	4,045
Inventories	25,764	26,816	-	-
Trade receivables	16,456	10,689	-	-
Other receivables and prepayments	2,618	2,033	2,588	3,513
Tax receivables	169	-	-	-
Cash and cash equivalents	10,771	11,273	155	150
	55,778	50,811	6,008	7,708
<b>Total assets</b>	<b>77,924</b>	<b>76,369</b>	<b>42,474</b>	<b>45,617</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	60,423	60,423	74,240	74,240
Treasury shares	(1,656)	(1,656)	(1,656)	(1,656)
Reserves	(11,383)	(11,824)	(30,462)	(28,302)
Equity attributable to owners of the Company	47,384	46,943	42,122	44,282
Non-controlling interests	(19)	(16)	-	-
<b>Total equity</b>	<b>47,365</b>	<b>46,927</b>	<b>42,122</b>	<b>44,282</b>
<b>Non-current Liabilities</b>				
Other payables	152	124	-	-
Lease liabilities	3,088	4,848	-	39
Deferred tax liabilities	646	634	-	-
	3,886	5,606	-	39
<b>Current Liabilities</b>				
Due to subsidiaries	-	-	1	835
Trade payables	14,479	12,509	-	-
Other payables	4,447	5,589	313	333
Borrowings	6,120	3,883	-	-
Lease liabilities	1,627	1,854	38	128
Provision for income tax	-	1	-	-
	26,673	23,836	352	1,296
<b>Total liabilities</b>	<b>30,559</b>	<b>29,442</b>	<b>352</b>	<b>1,335</b>
<b>Total equity and liabilities</b>	<b>77,924</b>	<b>76,369</b>	<b>42,474</b>	<b>45,617</b>

### 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
<b>Balance as at 1 January 2021</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(964)</b>	<b>3,668</b>	<b>46,943</b>	<b>(16)</b>	<b>46,927</b>
Loss for the period	-	-	-	-	-	-	-	(1,177)	(1,177)	(1)	(1,178)
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	325	-	325	-	325
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	325	(1,177)	(852)	(1)	(853)
<b>Balance as at 30 June 2021</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(639)</b>	<b>2,491</b>	<b>46,091</b>	<b>(17)</b>	<b>46,074</b>
Profit/(Loss) for the period	-	-	-	-	-	-	-	1,738	1,738	(2)	1,736
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(445)	-	(445)	-	(445)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(445)	1,738	1,293	(2)	1,291
<b>Balance as at 31 December 2021</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(1,084)</b>	<b>4,229</b>	<b>47,384</b>	<b>(19)</b>	<b>47,365</b>
<b>Balance as at 1 January 2020</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(1,217)</b>	<b>1,054</b>	<b>44,076</b>	<b>(11)</b>	<b>44,065</b>
Profit/(Loss) for the period	-	-	-	-	-	-	-	345	345	(3)	342
Other comprehensive loss:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	(105)	-	(105)	-	(105)
Total other comprehensive (loss)/income for the period	-	-	-	-	-	-	(105)	345	240	(3)	237
<b>Balance as at 30 June 2020</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(1,322)</b>	<b>1,399</b>	<b>44,316</b>	<b>(14)</b>	<b>44,302</b>
Profit/(Loss) for the period	-	-	-	-	-	-	-	2,269	2,269	(2)	2,267
Other comprehensive income:											
Exchange differences on translating foreign operations	-	-	-	-	-	-	358	-	358	-	358
Total other comprehensive income/(loss) for the period	-	-	-	-	-	-	358	2,269	2,627	(2)	2,625
<b>Balance as at 31 December 2020</b>	<b>60,423</b>	<b>(1,656)</b>	<b>(10,150)</b>	<b>6</b>	<b>725</b>	<b>(5,109)</b>	<b>(964)</b>	<b>3,668</b>	<b>46,943</b>	<b>(16)</b>	<b>46,927</b>

**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
<b>Balance as at 1 January 2021</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(22,040)</b>	<b>44,282</b>
Loss for the period	-	-	-	-	-	(139)	(139)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(139)	(139)
<b>Balance as at 30 June 2021</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(22,179)</b>	<b>44,143</b>
Loss for the period	-	-	-	-	-	(2,021)	(2,021)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(2,021)	(2,021)
<b>Balance as at 31 December 2021</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(24,200)</b>	<b>42,122</b>
<b>Balance as at 1 January 2020</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(20,591)</b>	<b>45,731</b>
Loss for the period	-	-	-	-	-	(391)	(391)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(391)	(391)
<b>Balance as at 30 June 2020</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(20,982)</b>	<b>45,340</b>
Loss for the period	-	-	-	-	-	(1,058)	(1,058)
Other comprehensive loss:							
Exchange differences on translating foreign operations	-	-	-	-	-	-	-
Total other comprehensive loss for the period	-	-	-	-	-	(1,058)	(1,058)
<b>Balance as at 31 December 2020</b>	<b>74,240</b>	<b>(1,656)</b>	<b>725</b>	<b>(4,481)</b>	<b>(2,506)</b>	<b>(22,040)</b>	<b>44,282</b>

**D. Condensed Interim Consolidated Statement of Cash Flows**

	Group		Group	
	2H FY2021 US\$'000	2H FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
<b>Cash Flows from Operating Activities</b>				
Profit/(Loss) before income tax	1,096	2,580	(28)	3,124
Adjustments for:				
Depreciation of property, plant and equipment	760	1,261	1,903	2,649
Amortisation of intangible assets	325	343	591	789
Depreciation of right-of-use assets	868	1,188	1,864	2,264
Gain on disposal of property, plant and equipment	-	(424)	(1,143)	(424)
Write-back of inventory obsolescence, net	(736)	(3,229)	(738)	(3,210)
Impairment loss on trade receivables	-	35	-	309
Impairment loss on other financial assets	8	-	8	-
Unrealised exchange loss	60	368	184	315
Interest income	-	(1)	(1)	(22)
Interest expense	196	333	519	762
Inventory written off	-	2,663	-	2,663
Bad debts written back	(113)	-	(96)	-
Loss/(Gain) on lease modifications	144	-	(63)	-
Write-back of payables	(880)	-	(880)	-
Waiver of loan	-	(1,472)	-	(1,472)
<b>Operating cash flow before working capital changes</b>	<b>1,728</b>	<b>3,645</b>	<b>2,120</b>	<b>7,747</b>
Changes in working capital:				
Inventories	686	782	1,790	(474)
Trade receivables	(2,978)	9,170	(5,680)	8,846
Other receivables and prepayments	(390)	(70)	3	(465)
Trade and other payables	3,777	(2,432)	1,382	(5,188)
<b>Cash generated from/(used in) operating activities</b>	<b>2,823</b>	<b>11,095</b>	<b>(385)</b>	<b>10,466</b>
Interest paid	(34)	(338)	(150)	(398)
Income tax paid	-	(480)	(2)	(480)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,789</b>	<b>10,277</b>	<b>(537)</b>	<b>9,588</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	1	1	1	22
Purchase of property, plant and equipment	(384)	(1,010)	(1,063)	(1,976)
Proceeds from disposal of property, plant and equipment	203	479	784	479
<b>Net cash used in investing activities</b>	<b>(180)</b>	<b>(530)</b>	<b>(278)</b>	<b>(1,475)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from borrowings	17,738	21,578	34,764	44,816
Repayment of borrowings	(17,817)	(26,484)	(32,527)	(48,390)
Principal repayment of lease liabilities	(1,202)	(1,108)	(1,942)	(2,217)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,281)</b>	<b>(6,014)</b>	<b>295</b>	<b>(5,791)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,328</b>	<b>3,733</b>	<b>(520)</b>	<b>2,322</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>9,435</b>	<b>7,478</b>	<b>11,273</b>	<b>8,912</b>
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	8	62	18	39
<b>Cash and cash equivalents at the end of the period/year</b>	<b>10,771</b>	<b>11,273</b>	<b>10,771</b>	<b>11,273</b>

## **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 and full year ended 31 December 2021 comprise the Company and its subsidiaries (the “Group”). The principal activity of the Company is that of an investment holding company.

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

### **2. Basis of Preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2021 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 2020.

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 2020, 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 2021. 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 2020.

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

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

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

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

**2. Basis of Preparation (cont'd)**

**2.2 Use of judgements and estimates (cont'd)**

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

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

**3. Seasonal Operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months and full year ended 31 December 2021.

**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**

	<b>Sat Comms US\$'000</b>	<b>CM US\$'000</b>	<b>Group US\$'000</b>
<b>FY2021</b>			
Revenue	82,541	-	82,541
Operating profit/(loss)	507	(17)	490
Finance income			1
Finance costs			(519)
Income tax credit			586
<b>Profit for the year</b>			<b>558</b>
Amortisation of intangible assets	591	-	591
Depreciation of property, plant and equipment	1,903	-	1,903
Depreciation of right-of-use assets	1,864	-	1,864
Addition to property, plant and equipment	1,063	-	1,063
Impairment loss on other financial assets	8	-	8
Bad debts written (back)/off	(113)	17	(96)
Gain on lease modifications	(63)	-	(63)
Write-back of inventory obsolescence, net	(738)	-	(738)



**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
<b>Assets and liabilities</b>			
Segment assets	74,109	1,573	75,682
<u>Unallocated assets</u>			
- Non-current assets			20
- Other receivables			79
- Deferred tax assets			1,780
- Cash and cash equivalents			155
- Tax receivables			169
- Right-of-use assets			39
<b>Total assets</b>			<u>77,924</u>
Segment liabilities	23,393	-	23,393
<u>Unallocated liabilities</u>			
- Other payables			362
- Deferred tax liabilities			646
- Borrowings			6,120
- Lease liabilities			38
<b>Total liabilities</b>			<u>30,559</u>
<b>FY2020</b>			
Revenue	101,458	1,600	103,058
Operating profit/(loss)	3,885	(21)	3,864
Finance income			22
Finance costs			(762)
Income tax expense			(515)
<b>Profit for the year</b>			<u>2,609</u>
Amortisation of intangible assets	789	-	789
Depreciation of property, plant and equipment	2,648	1	2,649
Depreciation of right-of-use assets	2,122	142	2,264
Addition to property, plant and equipment	1,976	-	1,976
Impairment loss on trade receivables	296	13	309
Restructuring costs	510	-	510
Reinstatement costs	219	80	299
Inventories written off	1,947	716	2,663
Write-back of inventory obsolescence, net	(2,484)	(726)	(3,210)
Waiver of loan	(1,472)	-	(1,472)
<b>Assets and liabilities</b>			
Segment assets	73,953	561	74,514
<u>Unallocated assets</u>			
- Non-current assets			82
- Other receivables			98
- Deferred tax assets			1,363
- Cash and cash equivalents			150
- Right-of-use assets			162
<b>Total assets</b>			<u>76,369</u>
Segment liabilities	23,702	688	24,390
<u>Unallocated liabilities</u>			
- Other payables			367
- Provision for income tax			1
- Deferred tax liabilities			634
- Borrowings			3,883
- Lease liabilities			167
<b>Total liabilities</b>			<u>29,442</u>

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

**4. Segment and Revenue Information (cont'd)**

**4.2 Disaggregation of revenue**

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

	Group		Group	
	2H FY2021 US\$'000	2H FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
<b>Principal geographical market</b>				
<u>America</u>				
- Sale of goods	23,295	33,384	46,460	69,246
<u>Europe</u>				
- Sale of goods	13,364	11,825	24,361	23,884
<u>Asia</u>				
- Sale of goods	3,483	2,179	4,692	4,193
<u>Rest of the World</u>				
- Sale of goods	1,960	2,897	7,028	5,735
<b>Total</b>	<b>42,102</b>	<b>50,285</b>	<b>82,541</b>	<b>103,058</b>
<b>Major product lines</b>				
Sale of goods	42,102	50,285	82,541	103,058

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

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

**5. Financial Assets and Financial Liabilities**

**5.1 Significant items**

	Group		Group	
	2H FY2021 US\$'000	2H FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Interest income	-	1	1	22
Interest expense	(196)	(333)	(519)	(762)
Write-back of payables	880	-	880	-
Waiver of loan	-	1,472	-	1,472
Gain on disposal of property, plant and equipment	-	424	1,143	424
(Loss)/Gain on lease modifications	(274)	-	67	-
Impairment loss on trade receivables	-	(35)	-	(309)
Impairment loss on other financial assets	(8)	-	(8)	-
Loss on foreign exchange	(177)	(182)	(193)	(284)
Bad debts written back	113	-	96	-
Inventory written off	-	(2,663)	-	(2,663)
Write-back of inventory obsolescence	736	3,229	738	3,210
Depreciation of property, plant and equipment	(760)	(1,261)	(1,903)	(2,649)
Depreciation of right-of-use assets	(868)	(1,188)	(1,864)	(2,264)
Amortisation of intangible assets	(325)	(343)	(591)	(789)
Restructuring costs	-	(510)	-	(510)
Reinstatement costs	-	(299)	-	(299)
Operating lease expense	(19)	(15)	(19)	(15)

**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		Group	
	2H FY2021 US\$	2H FY2020 US\$	FY2021 US\$	FY2020 US\$
(a) Based on weighted average number of ordinary shares on issue; and	0.64 cent	0.84 cent	0.21 cent	0.96 cent
(b) On a fully diluted basis	0.64 cent*	0.84 cent*	0.21 cent*	0.96 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	271,662,227	271,662,227	271,662,227	271,662,227

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

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

**8. Net Asset Value**

	Group		Company	
	31 Dec 2021 US\$	31 Dec 2020 US\$	31 Dec 2021 US\$	31 Dec 2020 US\$
Net asset value per ordinary share based on issued share capital	17.44 cents	17.28 cents	15.51 cents	16.30 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
<b>Group</b>				
<b>2021</b>				
<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
<b>2020</b>				
<u>Cost</u>				
Balance at 1 January	16	2,685	4,823	7,524
Currency realignment	-	(11)	11	-
Balance at 31 December	16	2,674	4,834	7,524
<u>Amortisation and impairment</u>				
Balance at 1 January	16	483	3,921	4,420
Amortisation charge	-	250	539	789
Currency realignment	-	24	-	24
Balance at 31 December	16	757	4,460	5,233
<u>Net book value</u>				
Balance at 31 December	-	1,917	374	2,291

**10. Goodwill**

	Group	
	31 December 2021 US\$'000	31 December 2020 US\$'000
<u>Cost</u>		
Balance at the beginning and end of the year	9,352	9,352
<u>Allowance for impairment loss</u>		
Balance at the beginning and end of the year	3,260	3,260
Net carrying amount	6,092	6,092

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

**10. Goodwill (cont'd)**

**10.1 Allocation of goodwill**

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

	<b>Group</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Satellite Communications		
- OnePath Networks Limited ("OPN") – Israel	893	893
- Satellite Acquisition Corporation ("SAC") – United States of America	5,199	5,199
	6,092	6,092

**11. Property, Plant and Equipment**

	<b>Freehold property</b>	<b>Machinery &amp; equipment</b>	<b>Motor vehicles</b>	<b>Furniture, fittings &amp; equipment</b>	<b>Renovations</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>						
<b>2021</b>						
<u>Cost</u>						
Balance at 1 January	2,883	17,639	40	7,649	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	2,871	17,907	40	7,813	1,438	30,069
<u>Accumulated depreciation</u>						
Balance at 1 January	928	11,187	40	6,969	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	960	12,523	40	7,244	1,176	21,943
<u>Net book value</u>						
Balance at 31 December	1,911	5,384	-	569	262	8,126
<b>2020</b>						
<u>Cost</u>						
Balance at 1 January	2,807	28,069	220	8,377	1,376	40,849
Currency realignment	76	(12)	-	53	184	301
Additions	-	1,462	-	410	104	1,976
Disposals	-	(146)	-	-	(10)	(156)
Write-off	-	(11,734)	(180)	(1,191)	(196)	(13,301)
Balance at 31 December	2,883	17,639	40	7,649	1,458	29,669
<u>Accumulated depreciation</u>						
Balance at 1 January	849	20,640	220	7,629	1,257	30,595
Currency realignment	-	419	-	(1)	(1)	417
Depreciation charge	79	1,963	-	532	75	2,649
Disposals	-	(101)	-	-	-	(101)
Write-off	-	(11,734)	(180)	(1,191)	(196)	(13,301)
Balance at 31 December	928	11,187	40	6,969	1,135	20,259
<u>Net book value</u>						
Balance at 31 December	1,955	6,452	-	680	323	9,410

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

**11. Property, Plant and Equipment (cont'd)**

	Furniture, fittings & equipment US\$'000	Renovations US\$'000	Total US\$'000
<b>Company</b>			
<b>2021</b>			
<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
<b>2020</b>			
<u>Cost</u>			
Balance at 1 January	209	80	289
Additions	2	-	2
Balance at 31 December	211	80	291
<u>Accumulated depreciation</u>			
Balance at 1 January	76	45	121
Depreciation charge	61	27	88
Balance at 31 December	137	72	209
<u>Net book value</u>			
Balance at 31 December	74	8	82

The proceeds from disposal of property, plant and equipment of US\$784,000 and gain on disposal of property, plant and equipment of US\$1,143,000 pertains to machinery and equipment that was fully written off in the prior financial year ended 31 December 2020.

**12. Investment in Subsidiaries**

	Company	
	31 Dec 2021 US\$'000	31 Dec 2020 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)	(14,287)
	25,375	27,102

Movement in the allowance for impairment loss are as follows:

At the beginning of the year	14,287	13,803
Impairment loss recognised during the year	1,727	484
At the end of the year	16,014	14,287

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

**12. Investment in Subsidiaries (cont'd)**

Allowance for impairment loss

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

As at 31 December 2021 and 31 December 2020, 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 31 December 2021 and 31 December 2020, an allowance for impairment loss of US\$7,366,000 and US\$5,639,000, respectively, was made on the cost of investment in GIHL Group, as the allocated CGU, to which the investment relates to, was incurring losses from operations. The recoverable amount was based on management’s estimate of the fair value less costs to sell, with reference to the fair value of the net assets of GIHL Group, which is considered to be Level 3 in the fair value hierarchy.

**13. Borrowings**

Aggregate amount of group’s borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Dec 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
6,120	-	3,883	-

Amount repayable after one year

As at 31 Dec 2021		As at 31 Dec 2020	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The revolving credit loans of US\$6,120,000 were secured over the assets of the subsidiaries and corporate guarantees provided by the Company and the subsidiaries.

**14. Share Capital**

<b>FY2021</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2021 and 31 Dec 2021	271,662,227	72,584
<b>FY2020</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2020 and 31 Dec 2020	271,662,227	72,584

There were 10,740,072 treasury shares held by the Company as at 31 December 2021 and 31 December 2020 and there was no subsidiary holdings.

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

**14. Share Capital (cont'd)**

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

	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
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:

<b>FY2021</b>	<b>No. of shares</b>	<b>US\$'000</b>
Balance as at 1 Jan 2021 and 31 Dec 2021	10,740,072	1,656

**15. Subsequent events**

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



## **F. Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed interim consolidated statement of financial position of Global Invacom Group Limited and its subsidiaries as at 31 December 2021 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 year ended 31 December 2021 ("FY2021") decreased by 19.9% to US\$82.5 million from US\$103.1 million in the prior year ("FY2020"). Revenue for the second half year ended 31 December 2021 ("2H FY2021") was US\$42.1 million against US\$50.3 million in the prior year ("2H FY2020"). The ongoing COVID-19 pandemic impacted the Group globally, as there have been a reduction in orders from our customers. It has also impacted the Group's production facilities around the world as our working practices were adapted to comply with regional variations on COVID-19 Work Restrictions and social distancing guidelines during the pandemic.

Geographically, Group revenue for FY2021 decreased in America by US\$22.8 million (-32.9%) and increased in Europe, Asia and Rest of the World ("RoW") by US\$0.5 million (+2.0%), US\$0.5 million (+11.9%) and US\$1.3 million (+22.5%), respectively. Revenue for 2H FY2021 decreased in America and RoW by US\$10.1 million (-30.2%) and US\$0.9 million (-32.3%), respectively, compensated by an increase in Europe and Asia by US\$1.5 million (+13.0%) and US\$1.3 million (+59.8%), respectively, compared to the prior year.

##### ***Gross Profit***

The decrease in revenue resulted in a 35.6% decrease in gross profit from US\$25.7 million in FY2020 to US\$16.6 million in FY2021. Gross profit margin has decreased by 4.8 percentage points from 24.9% to 20.1%, mainly attributable to higher materials costs and the supply chain constraints that continue to cause disruptions to the Group.

Similarly, gross profit decreased from US\$13.4 million in 2H FY2020 to US\$7.8 million in 2H FY2021. Gross profit margin has decreased by 8.2 percentage points from 26.6% to 18.4%.

##### ***Other Income***

Other income in 2H FY2021 and FY2021 relates primarily to a grant from the US government of US\$2.7 million, gain on disposal of equipment of US\$1.1 million, write-back of payables of US\$0.9 million and subsidy support received from various government bodies across the Group due to the COVID-19 pandemic.

##### ***Administrative and Research and Development Expenses***

Administrative expenses, together with research and development expenses, for FY2021 decreased 9.0% to US\$20.9 million compared to US\$23.0 million in FY2020, representing 25.3% and 22.3% of revenue, respectively. The ongoing cost control measures across the Group, including a reduction in travelling and marketing activity, have resulted in lower administrative expenses being incurred. For 2H FY2021, administrative and research and development expenses, decreased 16.1% to US\$10.0 million compared to US\$12.0 million in the previous year, representing 23.8% of revenue for both periods.

##### ***Other Operating Expenses***

Other operating expenses in 2H FY2021 and FY2021 were attributed mainly to foreign exchange losses.

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

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

#### **2.1 Review of Financial Performance (cont'd)**

##### ***Profit Before Tax & Net Profit***

The Group posted a loss before tax of US\$28,000 in FY2021, compared to a profit before tax of US\$3.1 million the prior year, representing a negative margin of 0.03% and a margin of 3.0%, respectively. For 2H FY2021, the Group recorded US\$1.1 million profit before tax compared to US\$2.6 million in the prior year, representing a margin of 2.6% and 5.1%, respectively.

In 2H FY2021, the UK Group received research and development tax credits from the UK government and, coupled with deferred taxes, resulted in the Group recording a net profit of US\$1.7 million compared to US\$2.3 million in the prior year, representing a margin of 4.1% and 4.5%, respectively. For FY2021, the Group recorded a net profit of US\$0.6 million, compared to US\$2.6 million the prior year, representing a margin of 0.7% and 2.5%, respectively.

#### **2.2 Review of Financial Position**

Non-current assets decreased by US\$3.4 million to US\$22.1 million as at 31 December 2021, due to the depreciation of plant and equipment, the right-of-use assets and the amortisation of intangible assets, offset by the increase in deferred tax assets.

Net current assets increased by US\$2.1 million to US\$29.1 million as at 31 December 2021 compared to US\$27.0 million as at 31 December 2020. Trade and other receivables increased by US\$6.3 million due to slower collections, whilst trade and other payables increased by US\$0.8 million with controlled payments to suppliers, offset by a decrease in inventories of US\$1.1 million. Tax receivables was US\$0.2 million as at 31 December 2021.

Cash and cash equivalents decreased by US\$0.5 million to US\$10.8 million as at 31 December 2021 from US\$11.3 million at 31 December 2020, and borrowings increased by US\$2.2 million to US\$6.1 million as at 31 December 2021 from US\$3.9 million as at 31 December 2020. The repayment of leases has resulted in a decrease of US\$0.2 million in the current portion of lease liabilities.

With the repayment of leases, the non-current portion of the lease liabilities decreased by US\$1.8 million to US\$3.1 million as at 31 December 2021.

The Group's net asset value stood at US\$47.4 million as at 31 December 2021, compared to US\$46.9 million as at 31 December 2020.

#### **2.3 Review of Cash Flows**

In 2H FY2021, net cash generated from operating activities was US\$2.8 million, comprising US\$1.8 million cash inflow from operating activities (before working capital changes), US\$1.1 million net working capital inflow and US\$0.1 million payment of interest.

In FY2021, net cash used in operating activities was US\$0.5 million, comprising US\$2.1 million cash inflow from operating activities (before working capital changes), US\$2.5 million net working capital outflow and US\$0.1 million payment of interest and income tax.

Net cash used in investing activities in 2H FY2021 and FY2021 amounted to US\$0.2 million and US\$0.3 million, respectively, relating predominately to the purchase of machinery and equipment, offset against proceeds from the disposal of property, plant and equipment.

Net cash used in financing activities in 2H FY2021 was US\$1.3 million and net cash generated from financing activities in FY2021 was US\$0.3 million, attributable to the net proceeds of borrowings and repayment of lease liabilities.

The Group recorded a net increase in cash and cash equivalents amounting to US\$1.3 million, and net decrease amounting to US\$0.5 million in 2H FY2021 and FY2021, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$10.8 million as at 31 December 2021.

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

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

No prospect statement was made.

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

The combination of ongoing COVID-19 restrictions and the well documented global supply chain issues were key feature in forming the broader trading conditions for the Group throughout 2021. Management believes that, whilst demand for the Company's products will remain robust, economic headwinds, including supply shortages within the semiconductor sector, and ongoing inflationary pressure across international shipping, wages (particularly in the U.S.) and raw materials (including steel), will likely impact the performance of the business in the current financial year.

As with the prior year, and given the global nature of Global Invacom's business, the health and safety of all our staff, partners, suppliers and customers continues to be of paramount importance.

Despite the impact of these global headwinds on the Company's financial performance, Global Invacom remained profitable in the year, facilitated by the implementation of pragmatic cost-saving initiatives, including a reduction in marketing activity and various government grants, to mitigate the impact of the COVID-19 pandemic. The Group's prudent transition of R&D employees and office staff to remote working from 2020 have enabled our international network of teams to function efficiently throughout 2021.

During 2021, the Group focused on launching a range of innovative devices to augment its product offering across all key categories. New additions to Global Invacom's portfolio include the Optical to Optical ("O2O") converter, a Fibre to the Home ("FTTH") device designed to increase the number of subscribers that can be connected to a single dish, and Ku-Band and C-Band VSAT Radio Frequency ("RF") Block Up Converters, two new DOS products that consolidate the Group's unique position as a leading manufacturer and supplier of VSAT RF electronics, antennas and feeds.

The Group continues to ensure new products are expertly designed to work in tandem with existing Global Invacom devices, providing an upgraded service whilst simultaneously generating valuable cross selling opportunities. As the satellite communications industry continues to evolve and new technologies emerge, the Group is focused on leveraging its R&D capabilities to future-proof new devices. With teams based in hubs across the globe, Global Invacom's employees can rapidly respond to regulatory updates in regional markets to ensure the Group continues to develop cutting-edge competitive products.

More generally, O3b mPOWER plan to launch their O3b mPOWER communications system during 2022, which comprises of an initial constellation of 11 high-performance satellites, intelligent software and extensive ground infrastructure. Hughes, the global provider of high-speed satellite internet service, also indicated that their much-anticipated GEO satellite Jupiter system is currently scheduled to be launched during Q4 2022.

The Group remains well-positioned to benefit from the recovery of the global economy and the continued growth of its target DOS market. As the broader restrictions associated with the COVID-19 pandemic ease along with the well documented supply chain pressures, Global Invacom's products will continue to play a significant role in meeting the continued growth in demand for data and connectivity.

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

**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Due to the operating conditions faced by the Group, no dividend has been declared or recommended for the year ended 31 December 2021.

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

The Company does not have a shareholders' mandate for IPTs for the year ended 31 December 2021.

**8. Confirmation Pursuant to Rule 705(5) of the Listing Manual**

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the "Company"), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the year ended 31 December 2021 to be false or misleading in any material aspect.

**9. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

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

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

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

**On behalf of the Board**

**Anthony Brian Taylor**  
Executive Director

**Gordon Blaikie**  
Executive Director

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BY ORDER OF THE BOARD  
Anthony Brian Taylor  
Executive Chairman

25 February 2022