



Radiance Group Limited

Company Registration Number: 200202428H

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RADIANCE GROUP LIMITED

(With effect from 27 April 2009, the Company has changed its name from “Radiance Electronics Limited” to “Radiance Group Limited”.)

HALF-YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2009

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.

Group Statement of Comprehensive Income for the half-year ended 30 June 2009. These figures have not been audited.

The Company changed its financial year end to 31 December in 2008. Figures for 1H FY2009 consisted of 6-month period from 1 January 2009 to 30 June 2009 and the comparative statement consisted of 6-month period from 1 January 2008 to 30 June 2008 (“2H FY2008”).

Figures for 2H FY2008 have been restated to account for the effects of a change in functional currency for the Group. All amounts in this announcement are stated in Singapore dollars except where otherwise indicated.

	1H FY2009	Group 2H FY2008 (restated)	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	75,382	42,761	76.3
Cost of sales	(69,682)	(38,201)	82.4
Gross profit	5,700	4,560	25.0
Other income	341	14	N.M.
Distribution costs	(27)	(188)	(85.6)
Administrative expenses	(4,300)	(4,570)	(5.9)
Other operating expenses	(264)	(954)	(72.3)
Finance income	13	94	(86.2)
Finance costs	(187)	(40)	367.5
Profit/(Loss) from continuing operations before income tax⁽ⁱ⁾	1,276	(1,084)	N.M.

Income tax	(708)	44	N.M.
Profit/(Loss) from continuing operations after income tax	568	(1,040)	N.M.
Loss from discontinued operations ⁽ⁱⁱ⁾	-	(126)	N.M.
Total profit/(loss) for the period	568	(1,166)	N.M.
Other comprehensive income			
Exchange gain/(loss) on translation of net assets of foreign subsidiaries	104	(251)	N.M.
Total comprehensive income/(loss) for the period	672	(1,417)	N.M.

N.M.: Not Meaningful

Notes:

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

	1H FY2009	Group 2H FY2008 (restated)	Increase/ (Decrease)
	S\$'000	S\$'000	%
Other income including interest income	354	108	227.8
Interest on borrowings	(187)	(40)	367.5
Depreciation of plant and equipment	(1,011)	(1,211)	(16.5)
Loss on disposal of plant and equipment	(258)	(57)	352.6
(Provision for)/Write-back of allowance of inventories	(178)	68	N.M.
Loss on foreign exchange	(6)	(884)	(99.3)

- (ii) Loss from discontinued operations was as follows:

	2H FY2008 (restated) S\$'000
Revenue	14,037
Cost of sales	(13,533)
Gross profit	504
Distribution costs	(248)
Administrative expenses	(251)
Other operating expenses	(68)
Finance costs	(58)
Loss from discontinued operations before income tax	(121)
Income tax	(5)
Loss from discontinued operations after income tax	(126)

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

	Group		Company	
	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000
ASSETS				
Non-current Assets				
Plant and equipment	5,498	6,645	414	441
Investment in subsidiaries	-	-	25,649	25,649
Club membership	82	82	82	82
	5,580	6,727	26,145	26,172
Current Assets				
Due from subsidiaries	-	-	5,478	6,405
Inventories	4,917	15,651	-	-
Trade receivables	29,999	25,942	-	-
Other receivables	1,133	3,073	113	123
Cash and cash equivalents	17,951	20,986	188	440
	54,000	65,652	5,779	6,968
Total assets	59,580	72,379	31,924	33,140
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	28,553	35,501	28,553	35,501
Reserves	8,072	452	(1,095)	(6,948)
Total equity	36,625	35,953	27,458	28,553
Non-current Liabilities				
Term loan	3,700	3,700	3,700	3,700
Obligations under hire purchase	150	201	150	201
	3,850	3,901	3,850	3,901
Current Liabilities				
Trade payables	11,140	22,680	-	-
Other payables	6,573	6,184	509	581
Term loan	1,060	3,165	-	-
Obligations under hire purchase	99	97	99	97
Provision for income tax	233	399	8	8
	19,105	32,525	616	686
Total liabilities	22,955	36,426	4,466	4,587
Total equity and liabilities	59,580	72,379	31,924	33,140

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2009		As at 31 Dec 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	1,159	-	3,262

Amount repayable after one year

As at 30 Jun 2009		As at 31 Dec 2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,850	-	3,901

Details of any collateral

None.

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	
	1H FY2009	2H FY2008 (restated)
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Profit/(Loss) after income tax	568	(1,166)
Adjustments for:		
Income tax expense/(benefit)	708	(39)
Depreciation of plant and equipment	1,011	1,621
Loss on disposal of plant and equipment	258	58
Interest expense	187	98
Interest income	(13)	(94)
	2,719	478
Changes in working capital:		
Inventories	10,734	(2,093)
Receivables	(2,117)	(451)
Payables	(11,151)	1,428
	185	(638)
Cash generated from/(used in) operating activities		
Interest paid	(187)	(98)
Income tax paid	(904)	(538)
Prior year tax rebate received	-	45
Net cash used in operating activities	(906)	(1,229)
Cash Flows from Investing Activities		
Interest received	13	94
Purchase of plant and equipment	(54)	(257)
Proceeds from disposal of plant and equipment	-	2
Net cash used in investing activities	(41)	(161)
Cash Flows from Financing Activities		
Repayment of borrowings	(2,105)	(1,375)
Repayment to hire purchase creditors	(49)	(301)
Proceeds from issue of shares under share options	-	241
Net cash used in financing activities	(2,154)	(1,435)
Effect of foreign exchange rate changes on consolidation	66	191
Net decrease in cash and cash equivalents	(3,035)	(2,634)
Cash and cash equivalents at the beginning of the period	20,986	23,089
Cash and cash equivalents at the end of the period⁽ⁱ⁾	17,951	20,455

Note:

(i) Cash and cash equivalents included in the cash flow statement comprise the following:

	1H FY2009	2H FY2008 (restated)
	S\$'000	S\$'000
Cash and bank balances	11,406	13,453
Fixed deposits	2,059	5,658
Restricted cash*	4,486	-
Cash and cash equivalents from continuing operations	17,951	19,111
Cash and bank balances	-	944
Fixed deposits	-	400
Cash and cash equivalents from discontinued operations	-	1,344
Total cash and cash equivalents	17,951	20,455

* Restricted cash pertains to fixed deposit of a subsidiary pledged with a bank for a term loan 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.

	Share capital	Share options reserve	Capital reserve	Foreign currency translation reserve	(Accumulated losses)/ Retained profits	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2009	35,501	-	3,942	(1,847)	(1,643)	35,953
Total comprehensive income for the period	-	-	-	104	568	672
Capital reduction ⁽ⁱ⁾	(6,948)	-	-	-	6,948	-
Balance as at 30 Jun 2009	28,553	-	3,942	(1,743)	5,873	36,625

Group	Share capital S\$'000	Share options reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	(Accumulated losses)/ Retained profits S\$'000	Total S\$'000
Balance as at 1 Jan 2008	35,260	105	3,700	(2,243)	(1,973)	34,849
Effect on the prior year of change in functional currency of the Group	-	-	-	(1,057)	35	(1,022)
Balance as at 1 Jan 2008 (restated)	35,260	105	3,700	(3,300)	(1,938)	33,827
Total comprehensive loss for the period	-	-	-	(251)	(1,166)	(1,417)
Exercise of share options	241	(105)	-	-	105	241
Transfer to capital reserve in accordance with statutory requirements	-	-	206	-	(206)	-
Balance as at 30 Jun 2008 (restated)	35,501	-	3,906	(3,551)	(3,205)	32,651

Company	Share capital S\$'000	Share options reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance as at 1 Jan 2009	35,501	-	(6,948)	28,553
Total comprehensive loss for the period	-	-	(1,095)	(1,095)
Capital reduction ⁽ⁱ⁾	(6,948)	-	6,948	-
Balance as at 30 Jun 2009	28,553	-	(1,095)	27,458
Balance as at 1 Jan 2008	35,260	105	(1,647)	33,718
Total comprehensive loss for the period	-	-	(4,786)	(4,786)
Exercise of share options	241	(105)	105	241
Balance as at 30 Jun 2008	35,501	-	(6,328)	29,173

Note:

- (i) On 8 June 2009, the Company completed the reduction of the issued and paid-up share capital of the Company pursuant to Sections 78A(1)(b) and 78C of the Companies Act, Cap. 50. The Company's issued and paid-up share capital after the capital reduction is S\$28,553,000 comprising 263,771,400 ordinary shares.

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.

The changes in the share capital during the period were as follows:

1H FY2009	No. of shares	S\$'000
Balance as at 1 Jan 2009	263,771,400	35,501
Capital reduction	-	(6,948)
Balance as at 30 Jun 2009	263,771,400	28,553
2H FY2008	No. of shares	S\$'000
Balance as at 1 Jan 2008	261,971,400	35,260
Issue of new ordinary shares pertaining to exercise of employees share options*	1,800,000	241
Balance as at 30 Jun 2008	263,771,400	35,501

* The options lapsed on 19 April 2008 following the takeover of the Company by Thumb (China) Holdings Group Limited.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 Jun 2009	31 Dec 2008
Total number of issued shares	263,771,400	263,771,400

(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.

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

The accounting policies and methods of computation have been applied consistently for the current financial period ended 30 June 2009 as those used in the audited financial statements for the period ended 31 December 2008, except for the adoption of the new or revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2009.

Among the new or revised FRS is Revised FRS 1 *Presentation of Financial Statements* which requires an entity to present, in a statement of changes of equity, all owner changes in equity. All non-owner changes in equity (ie comprehensive income) have to be presented in a statement of comprehensive income. Revised FRS 1 does not have any financial impact on the Group's financial position or results.

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.

On 1 January 2009, the Group adopted the Revised FRS 1 *Presentation of Financial Statements* as described above.

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/(Loss) per ordinary share of the Group, after deducting any provision for preference dividends	Group	
	1H FY2009	2H FY2008 (restated)
(a) Based on weighted average number of ordinary shares on issue; and	0.22 cent	(0.44) cent
(b) On a fully diluted basis	0.22 cent	(0.44) cent

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

	Group		Company	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
Net asset value per ordinary share based on issued share capital	13.89 cents	13.63 cents	10.41 cents	10.82 cents

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.**

CONTINUING OPERATIONS

Statement of Comprehensive Income

The Group's revenue from its continuing operations for 1H FY2009 increased by 76.3% to S\$75.4 million compared to S\$42.8 million in 2H FY2008. The increase in revenue was mainly attributable to an increase from the Satellite Communications and Other Products segments, and in particular, a new product (set-top box) which the Group has successfully put into production (classified under the Other Products segment) since the last reporting period.

Gross profit increased from S\$4.6 million in 2H FY2008 to S\$5.7 million in 1H FY2009, in line with the increase in revenue. On the other hand, gross profit margin decreased from 10.7% in 2H FY2008 to 7.6% in 1H FY2009 due to the competitive market conditions and a lower margin product mix.

Other income increased to S\$0.3 million, mainly due to tax incentives received from the China authority. Distribution costs decreased as a result of a lower commission paid to agents. Administrative expenses decreased to S\$4.3 million in 1H FY2009 compared to S\$4.6 million in 2H FY2008 as the Group continued its tight management on operating costs. Other operating expenses decreased to S\$0.3 million in 1H FY2009 compared to S\$1.0 million in 2H FY2008, mainly attributable to the decrease in foreign exchange loss. Finance income decreased due to lower average fixed deposit balances, coupled with a decline in interest rate. Finance costs increased mainly due to the additional term loan secured for working capital requirements.

Overall, the Group recorded a net profit from its continuing operations of S\$0.6 million for 1H FY2009 compared to a net loss of S\$1.0 million in 2H FY2008.

Statement of Financial Position

The Group's total equity was S\$36.6 million as at 30 June 2009 compared to S\$36.0 million as at 31 December 2008, an increase of S\$0.6 million.

Non-current assets decreased from S\$6.7 million as at 31 December 2008 to S\$5.6 million as at 30 June 2009, mainly due to depreciation and disposal of plant and equipment.

Net current assets increased from S\$33.1 million as at 31 December 2008 to S\$34.9 million as at 30 June 2009. Inventories decreased significantly to S\$4.9 million due to tighter inventory management and the alignment of inventory with the challenging business activities ahead. Trade receivables increased to S\$30.0 million, mainly attributable to the increase in sales activities in the current reporting period. Trade payables decreased to S\$11.1 million, in line with the decrease in inventories and short term loan decreased to S\$1.1 million with the repayment of its borrowings.

Non-current liabilities decreased slightly as at 30 June 2009, as a result of the repayment to the hire purchase creditors.

Consolidated Statement of Cash Flows

The Group saw a net decrease in cash and cash equivalents of S\$3.0 million to S\$18.0 million as at 30 June 2009 from S\$21.0 million as at 31 December 2008, primarily due to the repayment of S\$2.1 million borrowings.

DISCONTINUED OPERATIONS

The Company has completed the sale of Xiptech Holdings Pte Ltd ("Xiptech") on 31 October 2008 and Xiptech has ceased to be a subsidiary of the Company.

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

In line with the Group's last results announcement made on 26 February 2009, the Group has achieved profitability in this reporting period.

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.

As the global economic outlook continues to remain uncertain, the Group expects the operating environment in the next reporting period to continue to remain challenging. The Group will continue to work towards improving its financial performance and reducing its operating costs.

The Group will also continue to consider and explore any new business collaborations and opportunities to drive the Group to the next stage of growth.

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 period ended 30 June 2009.

**CONFIRMATION BY THE BOARD OF DIRECTORS (THE “BOARD”) PURSUANT TO RULE 705(4)
OF THE LISTING MANUAL**

We do hereby confirm, for and on behalf of the Board of Radiance 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 2009 to be false or misleading in any material aspect.

On behalf of the Board

Tan Tar Wuei
Director

Goh Boon Leng
Director

BY ORDER OF THE BOARD
Sun Jiangrong
Chairman

13 August 2009