



## RADIANCE GROUP LIMITED

(Incorporated in Singapore)

(Co. Reg. No.: 200202428H)

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### MANDATORY UNCONDITIONAL CASH OFFER BY PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD FOR AND ON BEHALF OF GLOBAL INVACOM LIMITED

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#### 1. ACQUISITION

- 1.1 The Board of Directors (the "**Board**") of Radiance Group Limited (the "**Company**") refers to the announcement made on 28 March 2010 ("**28 March Announcement**") in relation to the pre-conditional mandatory cash offer by PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwCCF**") for and on behalf of Global Invacom Limited ("**GIL**") and the relevant concert parties to acquire all the issued ordinary shares in the capital of the Company pursuant to a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with Thumb (China) Holdings Group Limited (In Liquidation) ("**TCH**") and Hamish Christie, Cosimo Borrelli and Christopher Stride as the joint and several liquidators of TCH ("**TCH's Liquidators**") where TCH agreed to sell, and GIL agreed to purchase, an aggregate of 138,235,390 ordinary shares ("**TCH Shares**"), representing approximately 52.41 per cent. of the total issued shares ("**Shares**") of the Company.
- 1.2 The Board wishes to inform the shareholders of the Company ("**Shareholders**") that on 1 August 2010, PwCCF has, for and on behalf of GIL and the relevant concert parties, announced that GIL has completed the purchase of the TCH Shares pursuant to the Sale and Purchase Agreement ("**Acquisition**").

#### 2. OFFER

- 2.1 Accordingly, following the Acquisition, GIL in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**"), through PwCCF for and on behalf of GIL ("**GIL**" or the "**Offeror**"), announced that GIL will make a mandatory unconditional cash offer ("**Offer**") for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, The Pacific Trust (being a concert party to GIL in relation to the Offer) or any party acting in concert with the Offeror ("**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Code ("**Offer Announcement**").
- 2.2 The Offer Announcement refers to the 28 March Announcement made by GIL where GIL announced that under the terms of the Sale and Purchase Agreement, GIL has *inter alia* reserved the right to nominate a separate entity to receive the TCH Shares on the completion of the Sale and Purchase Agreement. In the Offer Announcement, the Offeror stated that a discretionary trust has subsequently been constituted in Jersey, United Kingdom, ("**The Pacific Trust**") with the intention that GIL shall and will transfer absolutely all its title and interest in the TCH Shares to The Pacific Trust immediately after the nominees of GIL have been appointed to the board of the Company (which is after the despatch of the Offer Document (as defined below)) in compliance with Rule 14.4 of the Code.

2.3 Details of the Offer are set out in the Offer Announcement, a copy of which is attached.

### 3. TERMS OF THE OFFER

3.1 As stated in the Offer Announcement, the Offer is made on the following terms:

- (i) Offer Price : S\$0.07618 in cash ("**Offer Price**").
- (ii) Offer Shares : The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached to them as at the date of this Announcement, and thereafter attaching to them (including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the date of this Announcement, together with all interest accrued thereon).

**In the event that the record or books closure date for determining the entitlement to any dividends, rights or other distributions announced or declared by the Company falls on or after the date of this Announcement, the Offeror and the Offeror's concert parties (including The Pacific Trust) reserve the right to reduce the Offer Price by the amount of such dividends, rights or other distributions.**

- (iii) Unconditionality : **The Offer will be unconditional in all respects.**

3.2 **No Revisions.** The Offeror has stated in the Offer Announcement that it does not intend to revise the Offer Price or extend the Offer Period, except that the Offeror reserves the right to do so in a competitive situation.

3.3 **Offer Document.** Further information on the Offer will be set out in the offer document to be issued by PwCCF for and on behalf of the Offeror ("**Offer Document**"). The Offer Document which will set out the full terms and conditions of the Offer and enclose the appropriate form(s) of acceptance of the Offer, will be despatched to the shareholders of the Company not earlier than 14 and not later than 21 days from the date of this Announcement. The Offer will remain open for acceptances by shareholders of the Company for a period of at least 28 days from the date of posting of the Offer Document

3.4 **Overseas Shareholders.** The Offeror has cautioned in its Offer Announcement that the availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction and have accordingly suggested that Shareholders of the Company who are not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdiction.

### 4. INFORMATION ON THE OFFEROR AND PACIFIC TRUST

The following information on the Offeror and The Pacific Trust has been extracted from the Offer Announcement:

- 4.1 The Offeror.** GIL was incorporated in England and Wales as a private limited company on 18 November 1988 and has an issued and paid-up share capital of £109,613.60 as at the date of the Offer Announcement. GIL is principally involved in the manufacturing of satellite and cable peripherals and the directors of GIL as at the date of this Announcement are Anthony Taylor, Malcolm Burrell, David Fugeman, Gary Stafford, John Parfitt, David Smith, Ivan Horrocks, Jenifer Gray and Andrea Fearnley.
- 4.2 The Offeror Group.** GIL's ultimate holding company is Global Invacom Holdings Limited ("**GIH**"), whose principal activities are in investment holding and whose principal place of business is in England and Wales. GIL and its subsidiaries (collectively, "**GIL Group**") is one of the largest manufacturers of satellite and cable peripherals in the world, using innovative technology and state of the art laboratories, GIL Group provides over 5 million low cost, high quality products worldwide. GIL Group has had a significant trading relationship with the Company over many years and has contracted the Company to provide services for the value of approximately S\$40 million over the past year.
- 4.3 The Pacific Trust.** The Pacific Trust was constituted on 15 July 2010 by way of a trust deed which circumscribes, amongst others, the Trust's power to deal with its trust assets and determine its beneficiaries. The trustee of The Pacific Trust is Vistra Corporate Services Limited, a company incorporated in Jersey, the United Kingdom and which is wholly-independent from the GIL Group. The Pacific Trust is constituted as a discretionary trust for the benefit of, *inter alia*, all bona fide employees, and officers and former employees and former officers from time to time of any member of the GIL Group and the spouses, civil partners, surviving spouses, surviving civil partners and dependent children and step children under the age of eighteen and other descendants of such employees.

At the same time, it is also the intention that any Offer Shares tendered for acceptance as part of this Offer will be transferred absolutely to the Trust immediately after the closing and settlement of the MGO.

## **5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY**

- 5.1 Rationale for the Offer.** As stated in the Offer Announcement, the Offer will be made to comply with Rule 14 of the Code. The Offer provides an opportunity for the shareholders of the Company to realise their investments in the Shares.

The Offeror has stated in the Offer Announcement that it also expects the acquisition of the Company to create meaningful synergies with GIL's principal business activities due to, amongst other things, improved supply chain coordination and sharing of costs. According to the Offer Announcement, GIL's backward integration with the Company may also provide more opportunities for GIL to further differentiate itself by means of increased control over its supply chain.

- 5.2 The Offeror's Intentions for the Company.** It is the intention of the Offeror as mentioned in the Offer Announcement that the Company continues to carry on its existing business ("**RGL Group's Business**") and maintain its listing status on the SGX-ST. However, following the close of the Offer and depending on the level of acceptances thereof, the Offeror has stated in the Offer Announcement that it may explore synergies between the complementary businesses and operations of the Company and its subsidiaries ("**RGL Group**") and GIL Group, by undertaking a comprehensive review of the organisation, businesses and operations of RGL Group and working closely with RGL Group to develop appropriate initiatives in this regard.

According to the Offer Announcement, the Offeror presently has no intentions to redeploy the fixed assets of RGL Group or discontinue the employment of the employees of RGL Group, but will work with RGL Group to facilitate employee retention.

- 5.3 Corporate Restructuring Exercise.** The Offeror has also stated in the Offer Announcement that it intends to explore the feasibility of carrying out a series of corporate restructuring exercises following close of the Offer ("**Corporate Restructuring Exercise**") to inject the existing businesses, undertakings and operating entities of GIL Group ("**GIL Group's Business**") into the Company, resulting in the Company becoming the common holding entity of both RGL Group's Business and GIL Group's Business.

The Corporate Restructuring Exercise is likely to constitute a Very Substantial Acquisition pursuant to Rule 1015 of the Listing Manual of the SGX-ST by the Company. The Offeror believes that the injection of GIL Group's Business into the Company will enable the Company to capitalise on its listing status and enhance the value of shareholders' equity interests in the Company. If completed, the Corporate Restructuring Exercise also have the potential to significantly increase the market capitalisation of the Company, which would enable the Company to attract more extensive analyst coverage and consequently lead to an overall increase in trading liquidity in the Shares.

The Offeror has further stated that its intentions for the Company as set out in the Offer Announcement are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror. The Offeror has also stated that there is no assurance that the current intentions will be carried into effect, and the Offeror retain the flexibility at any time to consider any options in relation to RGL Group which may present themselves and which they may regard to be in the interest of GIL or GIL Group.

## **6. COMPULSORY ACQUISITION AND LISTING STATUS**

- 6.1 Compulsory Acquisition under Section 215(1) of the Companies Act.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), if the Offeror receives acceptances pursuant to the Offer, for not less than 90 per cent. of the total issued Shares (other than those already held by Offeror, their related corporations or their respective nominees as at the date of the Offer, including the TCH Shares purchased from TCH in the Acquisition) ("**Compulsory Acquisition Acceptances Threshold**"), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the Shares of shareholders who have not accepted the Offer and proceed to delist the Company from the SGX-ST.

As stated in the Offer Announcement, the Offeror presently has no intentions to exercise any such compulsory acquisition right under Section 215(1) of the Companies Act in the event that the Offeror receives acceptances pursuant to the Offer for not less than the Compulsory Acquisition Acceptances Threshold.

- 6.2 Compulsory Acquisition under Section 215(3) of the Companies Act.** Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total issued Shares, shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price.

Shareholders who wish to exercise such a right, if any, are advised to seek their own independent legal advice.

**6.3 Listing Status.** The present intention of the Offeror, as stated in the Offer Announcement, is to maintain the listing status of the Company on the SGX-ST, and in the event that SGX-ST suspends the listing of the Shares as a result of the Company failing to meet public float requirements as set out in the Listing Manual, GIL will seek to have the Company undertake a compliance placement of such number of Shares as may be necessary for the purposes of meeting the shareholding spread and distribution requirements of the Listing Manual within such period of time as may be permitted by SGX-ST.

## 7. FINANCIAL EVALUATION OF THE OFFER

**7.1 Financial Evaluation.** As extracted from the Offer Announcement, the Offer Price represents the following premium over / discount to the benchmark prices of the Offer Shares:

	<b>Period</b>	<b>Benchmark Price (\$)<sup>(1)</sup></b>	<b>Premium over / (discount to) Benchmark Price<sup>(2)</sup></b>
(i)	Last transacted price as quoted on 29 July 2010 being the last full trading day on the SGX-ST prior to the date of the Offer Announcement (" <b>Last Full Day of Trading</b> ")	0.08500	(10.38%)
(ii)	Last transacted price as quoted on 26 March 2010, being the last full trading day on the SGX-ST prior to the Acquisition Announcement Date	0.1000	(23.82%)
(iii)	Volume weighted average price (" <b>VWAP</b> ") for the one-week period up to the Last Full Day of Trading	0.08500	(10.38%)
(iv)	VWAP for the one-month period up to the Last Full Day of Trading	0.09886	(22.94%)
(v)	VWAP for the three-month period up to the Last Full Day of Trading	0.09839	(22.57%)
(vi)	VWAP for the six-month period up the Last Full Day of Trading	0.09955	(23.48%)
(vii)	VWAP for the twelve-month period up the Last Full Day of Trading	0.10319	(26.18%)

Notes:

(1) According to the Offer Announcement, the Offeror has based the figures on data extracted from Bloomberg.

(2) Figures rounded to the nearest two decimal places.

**7.2 Further Financial Information.** Further information on the financial aspects of the Offer will be set out in the Offer Document to be despatched by the Offeror to Shareholders.

## **8. INDEPENDENT FINANCIAL ADVISER**

The Board wishes to announce that it has appointed Provenance Capital Pte. Ltd. as the independent financial adviser ("IFA") to advise the directors of the Company who are considered independent for the purposes of the Offer. A Circular containing the advice of the IFA and the recommendations of the independent directors ("Offeree Circular") will be sent to Shareholders within the time period required by the Code.

**In the meantime, Shareholders are advised to exercise caution when dealing in the securities of the Company or when otherwise taking any action in relation to their securities which may be prejudicial to their interests until they or their advisers have considered the information and the recommendation of the independent directors as well as the advice of the IFA in the Offeree Circular to be issued in due course.**

## **9. RESPONSIBILITY STATEMENT**

The Directors of the Company (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or publicly available sources (including information extracted from the Offer Announcement), the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

## **BY ORDER OF THE BOARD**

**Cosimo Borrelli**  
**Chairman**

Date : 1 August 2010

## MANDATORY UNCONDITIONAL CASH OFFER

by

### **PricewaterhouseCoopers Corporate Finance Pte Ltd**

(Company Registration No. 197501605H)  
(Incorporated in the Republic of Singapore)

for and on behalf of



### **GLOBAL INVACOM LIMITED**

(Company Registration No. 02319127)  
(Incorporated in England and Wales)

to acquire all the issued and paid-up ordinary shares in the capital of

### **RADIANCE GROUP LIMITED**

(Company Registration No. 200202428H)  
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by  
Global Invacom Limited  
or parties acting in concert with it

## **1. INTRODUCTION**

- 1.1 **Acquisition.** Further to the announcement ("**Prior Announcement**") made by PricewaterhouseCoopers Corporate Finance Pte Ltd ("**PwCCF**"), for and on behalf of Global Invacom Limited ("**GIL**") and the relevant concert parties on 28 March 2010 ("**Acquisition Announcement Date**"), PwCCF wishes to announce ("**Announcement**"), for and on behalf of GIL, that GIL has completed the purchase from Thumb (China) Holdings Group Limited (In Liquidation) ("**TCH**") and Hamish Christie, Cosimo Borrelli and Christopher Stride as the joint and several liquidators of TCH, of 138,235,390 ordinary shares ("**TCH Shares**"), representing approximately 52.41 per cent. of the total issued shares<sup>1</sup> ("**Shares**") in the capital of Radiance Group Limited ("**RGL**" or "**Company**") for a

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<sup>1</sup> In this Announcement, for the purposes of computation of any percentage shareholdings, the total number of issued shares of the Company is 263,771,400, as provided by TCH's Liquidators to GIL on the date of the sale and purchase agreement relating to the Acquisition.

cash consideration of S\$0.07618 per Share ("**Acquisition**"). Following the Acquisition, GIL holds 138,235,390 Shares, representing approximately 52.41 per cent. of all the Shares.

- 1.2 **Defined Terms.** Terms otherwise not defined in this Announcement shall bear the same meaning and construction as the defined terms in the Prior Announcement, unless otherwise stated.
- 1.3 **Constitution of Trust.** In the Prior Announcement, it was disclosed that under the terms of the Sale and Purchase Agreement, GIL has *inter alia* reserved the right to nominate a separate entity to receive the TCH Shares on Closing. A discretionary trust has subsequently been constituted in Jersey, United Kingdom, ("**The Pacific Trust**") with the intention that GIL shall and will transfer absolutely all its title and interest in the TCH Shares to The Pacific Trust immediately after the nominees of GIL have been appointed to the board of the Company (which is after the despatch of the Offer Document (as defined below) in compliance with Rule 14.4 of the Singapore Code on Take-overs and Mergers ("**Code**"). At the same time, it is also the intention that any Offer Shares tendered for acceptance as part of this Offer will be transferred absolutely to the Trust immediately after the closing and settlement of the MGO.
- 1.4 **Offer.** In accordance with Rule 14 of the Code, GIL ("**Offeror**"), shall make a mandatory unconditional cash offer ("**Offer**") for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, The Pacific Trust (being a concert party to GIL in relation to the Offer) or any party acting in concert with the Offeror ("**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Code.

## 2. OFFER

2.1 **Offer Terms.** The Offer will be on the following basis:

- (i) Offer Price : S\$0.07618 in cash ("**Offer Price**").
- (ii) Offer Shares : The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached to them as at the date of this Announcement, and thereafter attaching to them (including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the date of this Announcement, together with all interest accrued thereon).

**In the event that the record or books closure date for determining the entitlement to any dividends, rights**



**or other distributions announced or declared by the Company falls on or after the date of this Announcement, the Offeror and the Offeror's concert parties (including The Pacific Trust) reserve the right to reduce the Offer Price by the amount of such dividends, rights or other distributions.**

(iii) Unconditionality : **The Offer will be unconditional in all respects.**

- 2.2 **No Convertible Securities.** Based on publicly available information<sup>2</sup>, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights, in the Company.
- 2.3 **No Revisions.** The Offeror does not intend to revise the Offer Price or extend the Offer Period, except that the Offeror reserves the right to do so in a competitive situation.
- 2.4 **Offer Document.** Further information on the Offer will be set out in the offer document to be issued by PwCCF for and on behalf of the Offeror ("**Offer Document**"). The Offer Document which will set out the full terms and conditions of the Offer and enclose the appropriate form(s) of acceptance of the Offer, will be despatched to the shareholders of the Company not earlier than 14 and not later than 21 days from the date of this Announcement. The Offer will remain open for acceptances by shareholders of the Company for a period of at least 28 days from the date of posting of the Offer Document.
- 2.5 **Overseas Shareholders.** The availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders of the Company who are not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdiction. Further details in relation to shareholders of the Company who are not resident in Singapore will be contained in the Offer Document.

### **3. INFORMATION ON THE OFFEROR AND THE PACIFIC TRUST**

- 3.1 **GIL.** GIL was incorporated in England and Wales as a private limited company on 18 November 1988 and has an issued and paid-up share capital of £109,613.60 as at the date of this Announcement. GIL is principally involved in the manufacturing of satellite and cable peripherals and the directors of GIL as at the date of this Announcement are Anthony Taylor, Malcolm Burrell, David Fugeman, Gary Stafford, John Parfitt, David Smith, Ivan Horrocks, Jenifer Gray and Andrea Fearnley.
- 3.2 **GIL Group.** GIL's ultimate holding company is Global Invacom Holdings Limited ("**GIH**"), whose principal activities are in investment holding and whose principal place of business is in England and Wales. GIL and its subsidiaries (collectively, "**GIL Group**") is one of the largest manufacturers of satellite and cable peripherals in the world, using innovative

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<sup>2</sup> On 26 March 2010, TCH's Liquidators further confirmed in writing to GIL that the Company's 2003 Share Option Scheme will expire in 2013 and that there are currently no outstanding share options in the Company.

technology and state of the art laboratories, GIL Group provides over 5 million low cost, high quality products worldwide. GIL Group has had a significant trading relationship with the Company over many years and has contracted the Company to provide services for the value of approximately S\$40 million over the past year.

- 3.3 The Pacific Trust.** The Pacific Trust was constituted on 15 July 2010 by way of a trust deed which circumscribes, amongst others, the Trust's power to deal with its trust assets and determine its beneficiaries. The trustee of The Pacific Trust is Vistra Corporate Services Limited, a company incorporated in Jersey, the United Kingdom and which is wholly-independent from the GIL Group. The Pacific Trust is constituted as a discretionary trust for the benefit of, *inter alia*, all bona fide employees, and officers and former employees and former officers from time to time of any member of the GIL Group and the spouses, civil partners, surviving spouses, surviving civil partners and dependent children and step children under the age of eighteen and other descendants of such employees.

#### **4. INFORMATION ON THE COMPANY**

- 4.1 Corporate Information.** The Company was incorporated in Singapore on 25 March 2002 under the name of Radiance Electronics Pte Ltd. On 12 May 2003, the Company was converted into a public limited company and its name was changed to Radiance Electronics Limited. On 27 April 2009, the Company's name was changed to its present name - Radiance Group Limited.

- 4.2 Principal Activities.** Radiance Group Limited and its subsidiaries (collectively, "**RGL Group**") provides Electronics Manufacturing Services (EMS) to customers who are Original Equipment Manufacturers (OEMs) or Original Design Manufacturers (ODMs) of products in the satellite communications and computer peripherals industries. The RGL Group is primarily involved in Box Build and Printed Circuit Board Assembly (PCBA) on a turnkey as well as on a consignment basis. As turnkey contractors, the RGL Group is responsible for sourcing and procuring all required product parts directly from suppliers and assemble them as well as subsequent manufacturing processes. Under consignment arrangements, the RGL Group provides manufacturing services with materials provided by its customers.

The Company's subsidiaries are established in Singapore, Shanghai, Shenzhen and the Cayman Islands, and its manufacturing facilities are located in Shanghai and Shenzhen.

#### **5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY**

- 5.1 Rationale for the Offer.** The Offer will be made to comply with Rule 14 of the Code. The Offer provides an opportunity for the shareholders of the Company to realise their investments in the Shares.

Further, as the Company is a specialist EMS provider for the satellite communications industry, the Offeror expects the acquisition of the Company to create meaningful synergies with GIL's principal business activities due to, amongst other things, improved

supply chain coordination and sharing of costs. GIL's backward integration with the Company may also provide more opportunities for GIL to further differentiate itself by means of increased control over its supply chain.

- 5.2 The Offeror's Intentions for the Company.** It is the intention of the Offeror that the Company continues to carry on its existing business ("**RGL Group's Business**") and maintain its listing status on the SGX-ST. However, following the close of the Offer and depending on the level of acceptances thereof, the Offeror may explore synergies between the complementary businesses and operations of RGL Group and GIL Group as set out in Section 5.1, by undertaking a comprehensive review of the organisation, businesses and operations of RGL Group and working closely with RGL Group to develop appropriate initiatives in this regard. The Offeror presently has no intentions to redeploy the fixed assets of RGL Group or discontinue the employment of the employees of RGL Group, but will work with RGL Group to facilitate employee retention.

Additionally, the Offeror intends to explore the feasibility of carrying out a series of corporate restructuring exercises following close of the Offer ("**Corporate Restructuring Exercise**") to inject the existing businesses, undertakings and operating entities of GIL Group ("**GIL Group's Business**") into the Company, resulting in the Company becoming the common holding entity of both RGL Group's Business and GIL Group's Business. The Corporate Restructuring Exercises is likely to constitute a Very Substantial Acquisition pursuant to Rule 1015 of the Listing Manual of the SGX-ST by the Company. The Offeror believes that the injection of GIL Group's Business into the Company will enable the Company to capitalise on its listing status and enhance the value of shareholders' equity interests in the Company. If completed, the Corporate Restructuring Exercises also have the potential to significantly increase the market capitalisation of the Company, which would enable the Company to attract more extensive analyst coverage and consequently lead to an overall increase in trading liquidity in the Shares.

The intentions of the Offeror for the Company as set out in this Section 5.2 are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror. There is no assurance that the current intentions will be carried into effect, and the Offeror retain the flexibility at any time to consider any options in relation to RGL Group which may present themselves and which they may regard to be in the interest of GIL or GIL Group.

## **6. COMPULSORY ACQUISITION AND LISTING STATUS**

- 6.1 Compulsory Acquisition under Section 215(1) of the Companies Act.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), if the Offeror receives acceptances pursuant to the Offer, for not less than 90 per cent. of the total issued Shares (other than those already held by Offeror, their related corporations or their respective nominees as at the date of the Offer, including the TCH Shares purchased from TCH in the Acquisition) ("**Compulsory Acquisition Acceptances Threshold**"), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire, at the Offer Price, all the Shares of shareholders who have not accepted the Offer and proceed to delist the Company from the SGX-ST.

The Offeror presently has no intentions to exercise any such compulsory acquisition right under Section 215(1) of the Companies Act in the event that the Offeror receives acceptances pursuant to the Offer for not less than the Compulsory Acquisition Acceptances Threshold.

**6.2 Compulsory Acquisition under Section 215(3) of the Companies Act.** Pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total issued Shares, shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Shareholders who wish to exercise such a right, if any, are advised to seek their own independent legal advice.

**6.3 Listing Status.** Under Rule 1105 of the Listing Manual of the SGX-ST (“**Listing Manual**”), in the event that the Offeror and its concert parties (including The Pacific Trust), as a result of the Offer or otherwise, own or control more than 90 per cent. of the total issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares until such time as when the SGX-ST is satisfied that at least 10 per cent. of the total issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total issued Shares (excluding treasury shares), thus causing the percentage of Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the Shares at the close of the Offer. In addition, under Rule 724 of the Listing Manual, if the percentage of the Shares held in public hands falls below 10 per cent., the Company must, as soon as practicable, announce that fact. Rule 725 of the Listing Manual states that SGX-ST may allow the Company a period of three (3) months, or such longer period as SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10 per cent., failing which the Company may be delisted.

The present intention of the Offeror is to maintain the listing status of the Company on the SGX-ST, and in the event that SGX-ST suspends the listing of the Shares as a result of the Company failing to meet public float requirements as set out in the Listing Manual, GIL will seek to have the Company undertake a compliance placement of such number of Shares as may be necessary for the purposes of meeting the shareholding spread and distribution requirements of the Listing Manual within such period of time as may be permitted by SGX-ST.

## 7. FINANCIAL EVALUATION OF THE OFFER

7.1 **Financial Evaluation.** The Offer Price represents the following premium over / discount to the benchmark prices of the Offer Shares:

Period	Benchmark Price (S\$) <sup>(1)</sup>	Premium over / (discount to) Benchmark Price <sup>(2)</sup>
(i) Last transacted price as quoted on 29 July 2010, being the last full trading day on the SGX-ST prior to the date of this Announcement (“ <b>Last Full Day of Trading</b> ”)	0.08500	(10.38%)
(ii) Last transacted price as quoted on 26 March 2010, being the last full trading day on the SGX-ST prior to the Acquisition Announcement Date	0.10000	(23.82%)
(iii) Volume weighted average price (“ <b>VWAP</b> ”) for the one-week period up to the Last Full Day of Trading	0.08500	(10.38%)
(iv) VWAP for the one-month period up to the Last Full Day of Trading	0.09886	(22.94%)
(v) VWAP for the three-month period up to the Last Full Day of Trading	0.09839	(22.57%)
(vi) VWAP for the six-month period up the Last Full Day of Trading	0.09955	(23.48%)
(vii) VWAP for the twelve-month period up the Last Full Day of Trading	0.10319	(26.18%)

Notes:

<sup>(1)</sup> The figures are based on data extracted from Bloomberg.

<sup>(2)</sup> Figures rounded to the nearest two decimal places.

7.2 **Further Financial Information.** Further information on the financial aspects of the Offer will be set out in the Offer Document to be despatched to the shareholders based on timelines captured in clause 2.4.

## 8. DISCLOSURE OF SHAREHOLDINGS, DEALINGS AND TRANSFERS

- 8.1 **Holdings of Shares.** Save as disclosed below, as at the date of this Announcement, none of (i) GIL and its directors; (ii) PwCCF and (iii) The Pacific Trust and its trustee owns, controls or has agreed to acquire any (a) Shares; (b) securities which carry voting rights in the Company; (c) securities which are convertible into Shares or securities which carry voting rights in the Company; or (d) rights to subscribe for, or options in respect of, such Shares or securities:

Name	Number of Shares	Percentage (%)
GIL	138,235,390	52.41

- 8.2 **Dealings in Shares.** Save as disclosed below, as at the date of this Announcement, none of (i) GIL and its directors; (ii) PwCCF; and (ii) The Pacific Trust and its trustee has dealt for value in any Shares or convertible securities during the six-month period immediately preceding the date of this Announcement:

Date of acquisition	Number of Shares acquired	Consideration per Share, excluding brokerage fee, clearing fee and other applicable tax
30 July 2010	138,235,390	S\$0.07618

- 8.3 **No Irrevocable Undertakings.** As at the date of this Announcement, neither PwCCF and/or GIL nor any party acting in concert with them (including The Pacific Trust) has received any irrevocable undertaking from any holder of Offer Shares to accept or reject the Offer.

## 9. CONFIRMATION OF FINANCIAL RESOURCES

PwCCF, as the financial adviser to the Offeror in relation to the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full, all acceptances in respect of the Offer.

## 10. RESPONSIBILITY STATEMENT

The directors of GIL (including any who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information relating to the Company), the sole responsibility of the directors of GIL has been to ensure, through

reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

**PRICEWATERHOUSECOOPERS CORPORATE FINANCE PTE LTD**

For and on behalf of

**GLOBAL INVACOM LIMITED**

1 August 2010

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Any inquiries relating to this Announcement or the Offer should be directed to the following:

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## **IMPORTANT NOTICE**

This Announcement contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of GIL, the board of directors of GIL and other members of its senior management about the transactions described in this Announcement. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of GIL and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which GIL Group operates, and other factors affecting the level of GIL Group’s business activities and the costs and availability of financing for GIL Group’s activities. Any forward-looking statement contained in this Announcement based on past or current trends and/or activities of GIL Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this Announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. Each forward-looking statement speaks only as of the date of the particular statement. GIL and PwCCF expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in GIL’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.