



**RADIANCE GROUP LIMITED**

(Incorporated in Singapore)  
(Co. Reg. No.: 200202428H)

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**INTERESTED PERSON TRANSACTIONS – PROVISION OF ELECTRONICS MANUFACTURING SERVICES TO GLOBAL INVACOM LIMITED**

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The Board of Directors of Radiance Group Limited (“**Company**”) refers to its announcement made on 12 November 2010 (“**Announcement**”) in relation to the Interested Person Transactions with Global Invacom Limited (“**GIL**”). Capitalised terms not otherwise defined herein bear the same meaning as ascribed to them in the Announcement.

Further to the Company’s announcement of its plans to seek an IPT Mandate, the Company wishes to update Shareholders that it intends to despatch the Circular in relation to the ratification of the Pre-Mandate transactions as well as the IPT Mandate together with the opinion of the IFA (“**Circular**”) as soon as possible and is working to finalise the Circular.

In the meantime, the Company would like to keep Shareholders updated on purchase orders it has been receiving from GIL since the Announcement.

**RECEIPT OF NEW PURCHASE ORDER**

The Company wishes to inform Shareholders that Radiance Shanghai has on 19 November 2010 received another purchase order from GIL (“**19/11 Order**”). Details of the 19/11 Order are as follows:

<b>Date Received</b>	<b>Amount (US\$)</b>	<b>Amount (S\$)</b>
19 November 2010	1,457,359.20	1,881,450.73

Note: Based on an exchange rate of: November 2010 - US\$1 : S\$1.291

The terms of the 19/11 Order are substantially similar to the terms of the Confirmed Orders.

As at the date of this announcement (as set out previously in the Announcement), the purchase orders which Radiance Shanghai has received from GIL are in the aggregate value of US\$6.12 million, or approximately S\$8.07 million. This figure includes the value of the 19/11 Order.

As highlighted in the Announcement:-

- 1 GIL is deemed to be an “associate” of The Pacific Trust, a controlling shareholder of the Company. As of this date, The Pacific Trust holds 148,527,093 shares, representing approximately 56.31% of the issued share capital of the Company. Consequently, GIL is considered to be an interested person for the purposes of Chapter 9 of the Listing Manual. The 19/11 Order hence constitutes an IPT under Chapter 9 of the Listing Manual; and
- 2 Sales to GIL represent a significant source of revenue for the Group. Such purchase orders occur frequently and the value of purchase orders constitute a core component of the Group’s business. For FY2009, GIL contracted Radiance Shanghai to provide electronics manufacturing services representing approximately 59.40% of the Group’s revenue in FY2009.

## **AUDIT COMMITTEE'S REVIEW**

The Audit Committee has adopted certain procedures to review all interested person transactions and pending approval of the IPT Mandate, has been reviewing all purchase orders it has been receiving from GIL since 1 August 2010 in accordance with these review procedures. Details of these review procedures are set out in ANNEX 1 of this announcement.

All purchase orders have been and will continue to be reviewed to ensure strict compliance with the aforesaid procedures.

Notwithstanding the proposed approval limits set out in the review procedures, pending the finalisation of the Circular, all purchase orders received from GIL by Radiance Shanghai which equal/or exceed S\$100,000 will be furnished to the Audit Committee of the Company for its review to ensure that all such purchase orders are (i) entered on an arms length basis, (ii) in accordance with the commercial terms historically granted to GIL by the Group prior to GIL becoming an interested person, and (iii) are not prejudicial to the interests of the minority shareholders. The Audit Committee will not approve any purchase orders which the Audit Committee does not unanimously view as having strictly complied with the review procedures.

In respect of the 19/11 Order, the Audit Committee has reviewed the terms and conditions in respect of the 19/11 Order and is of the view that the terms of the 19/11 Order are (i) entered on an arms length basis, (ii) similar to the terms of the previous purchase orders entered into between Radiance Shanghai and GIL and in accordance with the commercial terms historically granted to GIL by the Group prior to GIL becoming an interested person, and (iii) are not prejudicial to the interests of the minority shareholders.

**IN THE MEANTIME, SHAREHOLDERS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.**

**BY ORDER OF THE BOARD**

Anthony Brian Taylor  
Executive Chairman

Date : 19 November 2010

**ANNEX 1**  
**REVIEW PROCEDURES**

**General Guidelines**

- 1 Transactions entered into by the Group with GIL, approved by the relevant approving authority, are to be carried out on prevailing market rates or prices, on terms which are no more favourable to GIL than commercial terms which the Group would extend to unrelated parties for the provision of similar electronics manufacturing services.
- 2 The relevant approving authority will consider whether the pricing of the transaction is in accordance with the Group's usual business practices and comparable margins in the historical base period.
- 3 In reviewing the prices and terms, all pertinent factors including but not limited to, prevailing market conditions, quantity, volume, material and labour consumption, customer requirements, product specifications, duration of contract, strategic purpose of the transaction or the resources available to the Group will be taken into consideration. If the relevant approving authority has interest in the transaction, then he/she shall not be involved in the decision making process.
- 4 Each purchase order between the Group and GIL in relation to the provision of electronics manufacturing services of satellite communications components will be monitored as an individual transaction and, based on the value of the transaction, will require the prior approval of the corresponding approving authority who is a Director or management employee of the Group (not being an Interested Person or its Associate) and does not have any interest, whether direct or indirect, in relation to the transaction as follows:

<b>Approval Limits</b>	<b>Relevant Approving Authority</b>
< 3% of latest audited NTA	General Manager (not being an Associate of the Interested Person)
≥ 3% of latest audited NTA	Audit Committee

- 5 The above approval limits have been arrived at by the Group after taking into consideration the nature and size of the transactions, so as to provide for business efficiency and at the same time ensure that material transactions with the Interested Person are reviewed by the Audit Committee.
- 6 All transactions will be properly documented and a quarterly report will be forwarded to the Audit Committee for its review.

**Register of Interested Person Transactions**

The Company will maintain a register of all transactions carried out with GIL pursuant to the IPT Mandate and shall include all information pertinent to the evaluation of the Interested Person Transactions such as, but not limited to, the amount of the Interested Person Transactions, the basis for determining the transaction prices and supporting evidence and quotations obtained to support such basis.

The register of Interested Person Transactions shall be prepared, maintained and monitored by personnel of the Company (who shall not be interested in any of the Interested Person Transactions) who are duly delegated to do so by the Audit Committee and reviewed by internal auditors on an annual basis.

### **Internal/External Auditors**

The Company's internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions had been adhered to. Such compliance review will be performed by the internal auditors, being an external audit firm appointed or to be appointed by the Company, on an annual basis and the annual report on such transactions will be forwarded to the Audit Committee. The internal auditors shall assist the Audit Committee in the review and carry out such tests as they deem necessary on the Interested Person Transactions entered into pursuant to the proposed IPT Mandate. As part of the Company's annual audit, the external auditors will review the Interested Person Transactions on a sampling basis. The external auditors will report to the Audit Committee in the event of any non-compliance based on the audit sample.

### **Review by the Audit Committee**

As mentioned above, the Audit Committee shall review these annual internal audit reports on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.

If during these annual reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, to ensure that the mandated Interested Person Transactions will be conducted based on the Company's normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will then revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons to ensure that Interested Person Transactions will be on an arm's length basis and on normal commercial terms. During the period prior to obtaining a fresh mandate from the Shareholders, all Interested Person Transactions, including those covered under the IPT Mandate, will be subject to prior review and approval by the Audit Committee.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction.

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