



**RADIANCE GROUP LIMITED**  
(Incorporated in Singapore)  
(Company Registration No.: 200202428H)

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## PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF GLOBAL INVACOM HOLDINGS LIMITED

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### 1. INTRODUCTION

The Board of Directors of Radiance Group Limited (the “**Company**”) (the “**Board**”) refers to the announcement dated 3 November 2010 (the “**Previous Announcement**”) wherein the Company announced that it had entered into a Memorandum of Understanding dated 3 November 2010 with the shareholders of Global Invacom Holdings Limited (as set out in Appendix A and collectively referred to as the “**Vendors**”) (the Vendors and the Company collectively referred to as the “**Parties**”, and each a “**Party**”) in relation to the proposed acquisition (the “**Proposed Acquisition**”) of the entire issued and paid-up share capital of Global Invacom Holdings Limited (“**GIHL**”).

Further to the Previous Announcement, the Board is pleased to announce that the Company has entered into a conditional sale and purchase agreement (the “**S&P Agreement**”) dated 30 June 2011 with the Vendors in relation to the Proposed Acquisition (this “**Announcement**”), which if undertaken and completed will result in the reverse take-over of the Company as defined under Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual (“**SGX-ST Listing Manual**”).

### 2. ABOUT GIHL

GIHL and its subsidiaries (the “**GIHL Group**”) are one of the largest suppliers of satellite and television peripherals in the world. The GIHL Group designs and markets satellite and television peripheral equipment to the satellite broadcast industries. The GIHL Group offers low noise blocks (“**LNBS**”), very small aperture terminal LNBS, transmitters, transceivers, ortho mode transducers (“**OMTs**”), and satellite signal distribution equipment, such as stand-alone switches, single cable routers (“**SCRs**”) and smart splitters, multi-switches, satellite master antenna televisions, amplifiers, splitters/combiners and accessories. In addition, the GIHL Group offers design consultancy services for mass production of microwave components, antennas and systems. GIHL’s operating subsidiary, Global Invacom Limited (“**GIL**”), a wholly-owned subsidiary of GIHL, was formerly known as Global Communications (U.K.) Ltd. and changed its name on 2 April 2008. GIL was incorporated in 1988 and is based in Althorne, Essex in the United Kingdom (“**UK**”).

The GIHL Group has had a significant trading relationship with the Company and its subsidiaries (the “**Radiance Group**”) over many years and had contracted the Radiance Group to provide services for the value of approximately S\$40 million in 2010.

### 3. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the view that the Proposed Acquisition, if approved by the SGX-ST and shareholders of the Company (the "**Shareholders**"), is in the best interests of the Company and Shareholders for the following reasons:

#### a) **Meaningful synergies between the principal business activities of the Radiance Group and the GIHL Group**

The Radiance Group provides specialist electronics manufacturing services ("**EMS**") to customers who are original equipment manufacturers or original design manufacturers of products in the satellite communications, computer peripherals, medical and consumer electronics industries. On the other hand, the GIHL Group, through research, development and design activities, is one of the largest suppliers of satellite and television peripherals in the world. The GIHL Group has had a significant trading relationship with the Radiance Group over many years and had contracted the Radiance Group to provide services for a value of approximately S\$40 million in 2010.

Given the nature of the businesses of the Radiance Group and the GIHL Group, the Company expects the Proposed Acquisition to create meaningful synergies between the principal business activities of the Radiance Group and the GIHL Group due to, among other things, improved supply chain coordination and sharing of costs. The Company's integration with the GIHL Group may also enable the Company to differentiate itself from its competitors with the addition of conceptualising and design functions.

The Company believes that the Proposed Acquisition, if completed, will significantly increase the market capitalisation of the Company, which in turn should attract analyst coverage on the Radiance Group and increase the trading liquidity of the shares in the issued and paid-up share capital of the Company (the "**Shares**").

#### b) **The Proposed Acquisition offers the Company a platform to venture into the satellite communications and television peripherals industries with significant opportunities for growth**

The GIHL Group has come a long way from its humble beginnings to become an established player within the Direct Broadcast Satellite ("**DBS**") and very small aperture terminal ("**VSAT**") markets and presently counts some of the largest DBS service providers in the world as its customers, including DISH Network Corporation in the United States of America and British Sky Broadcasting Group plc. in the UK. With pay-television increasingly being viewed as a basic home service, it is believed that the DBS market will continue to expand.

If completed, the Proposed Acquisition will allow the Radiance Group to take advantage of the GIHL Group's well-established foundations to venture into the lucrative satellite communications and television peripherals industries.

**c) GIHL has an experienced management team with in-depth knowledge of the satellite communications and television peripherals industries**

In view of GIHL's expertise and substantial presence in the satellite communications and television peripherals industries, the Board believes that the Proposed Acquisition allows the Company to invest in a growing business that is aided by a good management team with a proven track record.

**4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

**4.1 PRINCIPAL TERMS AND SALIENT FEATURES OF THE PROPOSED ACQUISITION**

**4.1.1 Sale and Purchase**

Pursuant to the S&P Agreement, the Company shall acquire the entire issued and paid-up share capital of GIHL as at the date of completion of the Proposed Acquisition (the "**Completion Date**") for an aggregate consideration (the "**Consideration**") of United States Dollars Forty-Nine Million (US\$49.0 million).

**4.1.2 Purchase Consideration**

The Consideration was arrived at on a willing-buyer willing-seller basis, taking into consideration the valuation report (the "**Valuation Report**") dated 24 June 2011 commissioned by the Company which valued the GIHL Group at approximately US\$56.1 million. The Valuation Report was commissioned in connection with the Proposed Acquisition and the basis of the valuation involves the use of a discounted cash flow (DCF) methodology in addition to the use of comparables analysis as a cross-check.

The Consideration shall be satisfied by:

- (a) the sum of US\$18.5 million payable in cash (the "**Cash Consideration**") and in the following manner:
  - (i) US\$3.0 million shall be paid no earlier than the sixth month anniversary of the completion (the "**Completion**") of the Proposed Acquisition in accordance with the terms of the S&P Agreement and no later than the first anniversary of Completion;
  - (ii) US\$4.5 million shall be paid on the first anniversary of Completion;

(iii) US\$5.5 million shall be paid on the second anniversary of Completion;

(iv) US\$5.5 million shall be paid on the third anniversary of Completion,

to the Vendors in direct proportion to each Vendor's percentage shareholding in the capital of GIHL at Completion.

The Parties agree that the Cash Consideration shall be payable in Singapore dollars, calculated on the basis of the agreed exchange rate of US\$1 = S\$1.2345, being the average exchange rate of the US\$ to S\$ for the one month immediately preceding the date of the S&P Agreement (*Source: Bloomberg*).

(b) the sum of US\$30.5 million (the "**Share Swap Consideration**") payable in the form of 122,515,189 Consolidated Shares (as more greatly described in paragraph 4.1.5 below) (the "**Consideration Shares**"), to be issued and allotted to the Vendors at the issue price of S\$0.3087 per Consideration Share (the "**Issue Price**"), computed based on a fixed exchange rate of US\$1 = S\$1.2400, in direct proportion to each Vendor's percentage shareholding in the capital of GIHL on Completion, under the understanding and agreement amongst the Parties that the Vendors shall enter into an escrow arrangement with the Company and an escrow agent (the "**Escrow Agent**") appointed by the Company wherein US\$10.24 million from the Share Swap Consideration, in the form of 41,142,857 Consideration Shares (the "**Escrow Shares**"), shall be deposited in escrow with the Escrow Agent. The Escrow Shares shall, unless otherwise mutually agreed between the Parties, be held in escrow by the Escrow Agent prior to and until their release in accordance with the terms of the S&P Agreement.

The Consideration Shares shall be issued (a) free from all encumbrances and (b) together with all rights, benefits and entitlements attaching thereto as at the date of the S&P Agreement and thereafter.

In the event that there are no warranty claims brought by the Company against the Vendors during the warranty period, being twelve (12) months from Completion, the Escrow Shares shall be released to the Vendors on the expiry of the warranty period.

If a claim is successfully brought against the Vendors during the warranty period, the claim shall be satisfied by the Escrow Agent procuring the re-sale to the Company of such number of Escrow Shares equivalent in value at the Issue Price to the value of the claim based on the following formula:

$$\text{Number of Escrow Shares to satisfy claim} = \frac{\text{Value of Claim}}{\text{Issue Price}}$$

The Escrow Shares shall be repurchased by the Company free from all encumbrances and with all rights and benefits attaching thereto as at Completion for a nominal consideration of S\$1.00 and may thereafter be held in treasury.

The liability of the Vendors for any warranty claims shall not exceed the amount represented by the Escrow Shares. The Vendors shall have no liability to the Purchaser in respect of any warranty claims other than to facilitate the resale of the Escrow Shares to the Purchaser.

#### 4.1.3 Conditions Precedent

Completion is conditional upon, *inter alia*, the conditions precedent specified in Appendix B (the “**Conditions Precedent**”) having been fulfilled or waived in accordance with the terms of the S&P Agreement by 30 November 2011 (the “**Long-Stop Date**”), or such later date as all the Parties may agree in writing.

#### 4.1.4 Completion

Subject to the Conditions Precedent being fulfilled or waived, the Proposed Acquisition will be completed on the date falling not more than fourteen (14) business days after all the conditions precedent set out in the terms of the S&P Agreement have been fulfilled (or if not fulfilled, are waived by the Purchaser where the Vendors have not fulfilled their obligations in respect of such conditions precedent or are waived by the Vendors if the Purchaser has not fulfilled its obligations in respect of the conditions precedent).

#### 4.1.5 Share Consolidation

The Company will, in connection with the Proposed Acquisition, propose the consolidation of every four (4) Shares into one (1) consolidated share (or such other ratio as the Parties may agree in writing)(the “**Consolidated Share**”), to take effect on or before Completion (the “**Share Consolidation**”). The Consideration Shares to be issued will be Consolidated Shares.

The rationale for the Share Consolidation is to satisfy Rule 1015(3)(e) of the SGX-ST Listing Manual relating to the minimum issue price of the Consideration Shares.

#### 4.1.6 The Singapore Code on Take-overs and Mergers (the “Code”)

Pursuant to Rule 14 of the Code and Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, the Vendors will have to make a mandatory general offer for all the remaining Shares not owned or agreed to be acquired by the Vendors and/or their concert parties where either (i) the Vendors, together with their concert parties, acquire 30% or more of the voting rights the Company or (ii) the Vendors together with their concert parties holding not less than 30% but not more than 50% of the voting rights, acquire in any period of six (6) months additional Shares carrying more than 1% of the voting rights in the Company.

The Pacific Trust is a discretionary trust constituted for the benefit of all the employees and officers of GIHL, which include, amongst others, the Vendors. The Pacific Trust is a substantial Shareholder holding approximately 56.31% of the share capital of the Company as at the date of this Announcement. The Vendors and the Pacific Trust will be seeking confirmation from the Securities Industry Council (“**SIC**”) that the Vendors and the Pacific Trust are persons acting in concert for the purposes of the Code and accordingly there shall be no requirement on the Vendors and their concert parties to make a general offer for all the other Shares that they do not already own as a result of the issue and allotment of the Consideration Shares.

In the event that such a confirmation is not forthcoming, the Vendors will in the alternative make an application to the SIC for a waiver of their obligation to make a mandatory offer under Rule 14 of the Code for the Shares not held by them and their concert parties as a result of the transactions contemplated in the S&P Agreement.

**Shareholders should note that upon the completion of the Proposed Acquisition, the Vendors and their concert parties may thereafter acquire additional Shares without incurring a mandatory unconditional general offer obligation insofar as their aggregate equity interests remain in excess of 50% in the six (6) months prior to any such subsequent acquisition of Shares.**

#### 4.1.7 Moratorium Undertakings

Under the S&P Agreement, each of the Vendors irrevocably undertakes that it will not sell, transfer, dispose, charge, mortgage, pledge or otherwise deal with the Consideration Shares for such period of time as may be stipulated by the SGX-ST and in any event the Vendors shall not sell any of the Consideration Shares before the 6-month anniversary of Completion. Thereafter, each Vendor shall not sell more than an aggregate of:

- (i) 25% of the Consideration Shares held by each of them at Completion (“**Initial Shareholding**”) before the 12-month anniversary of Completion;
- (ii) 50% of the Initial Shareholding before the 18-month anniversary of Completion; and
- (iii) 75% of the Initial Shareholding before the 24-month anniversary of Completion.

#### 4.2 **RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL**

Based on the audited financial statements of the Radiance Group for the year ended 31 December 2010 and the audited financial statements of the GIHL Group for the financial year ended 31 December 2010, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (d) of the SGX-ST Listing Manual are as follows:

##### **Relative figures under Rule 1006**

<b>Rule 1006(a)</b>	
Net asset value of the assets to be disposed of	Not applicable
Net asset value of the Radiance Group	Not applicable
Size of relative figure	Not applicable

<b>Rule 1006(b)</b>	
Net profits <sup>(1)</sup> attributable to the acquired assets for the 12 months ended 31 December 2010 ('000)	S\$4,274
Net profits <sup>(1)</sup> of the Radiance Group for the 12 months ended 31 December 2010 ('000)	S\$8,501
Size of relative figure	50.28%

<b>Rule 1006(c)</b>	
Aggregate value of consideration to be given <sup>(2)</sup>	US\$49.0 million or approximately S\$60.66 million
Company's market capitalisation <sup>(3)</sup> as at 23 June 2011, being the last traded market day immediately preceding the date of the S&P Agreement	S\$21.13 million
Size of relative figure	287.08%

<b>Rule 1006(d)</b>	
Number of equity securities to be issued by the Company as consideration for the Proposed Acquisition	122,515,189
Number of equity securities in issue <sup>(4)</sup>	65,942,850
Size of relative figure	185.79%

**Notes:**

- (1) Under Rule 1002(3)(b), net profits is defined as profit or loss before income tax, minority interests and extraordinary items. For the purpose of computing the relative figures for Rule 1006(b), the one-off cost of approximately S\$11.73 million associated with the transfer of the Shares from GIL to The Pacific Trust in 2010 has been excluded from the net profits of the GHL Group.
- (2) In arriving at the size of the relative figure, the aggregate value of the Consideration is converted to S\$ based on the exchange rate of US\$1 = S\$1.2345 and US\$1 = S\$1.2400 for the Cash Consideration and Share Swap Consideration respectively.
- (3) The market capitalisation of S\$21.13 million is derived from the volume weighted average market price of S\$0.0801 per Share as at 23 June 2011, being the last traded market day (*Source: Bloomberg*).
- (4) Based on the Share Consolidation ratio of 4:1 as described in paragraph 4.1.5 above.

Immediately following the issue and allotment of the Consideration Shares but prior to the issue and allotment of the new Shares pursuant to the Compliance Placement, the Vendors (and/or their nominees) will collectively hold at least 84.71% of the issued and paid-up share capital of the Company (computed based on the enlarged share capital of 188,458,039 Shares immediately following the issue and allotment of the Consideration Shares).

As one or more of the relative figures as computed on the bases set out in Rule 1006 exceeds 100%, the Proposed Acquisition is classified as a "very substantial acquisition" or "reverse take-over" as defined in Chapter 10 of the SGX-ST Listing Manual and as such, the Proposed Acquisition is conditional upon the approval of Shareholders being obtained at an extraordinary general meeting to be convened and the approval of the SGX-ST.

## 5. FINANCIAL HIGHLIGHTS OF THE GIHL GROUP

The financial information of the GIHL Group for the three (3) financial years ended 31 December 2008, 31 December 2009 and 31 December 2010 (“FY2008”, “FY2009” and “FY2010” respectively) is set out below:

<b>GIHL Group’s Income Statement (US\$’000)</b>	<b>Audited FY2008</b>	<b>Audited FY2009</b>	<b>Audited FY2010</b>
Revenue	60,703	71,783	53,359
Gross profit	14,488	19,395	14,628
Profit/(Loss) before tax	2,801	7,975	(5,445)
Income tax expense	(479)	(1,964)	(411)
Net profit/(loss)	2,322	6,011	(5,856)
One-off cost <sup>(1)</sup>	-	-	8,567
Net profit excluding one-off cost	2,322	6,011	2,711

<b>GIHL Group’s Balance Sheet (US\$’000)</b>	<b>Audited 31 December 2010</b>
Non-current assets	1,721
Current assets	18,108
Current liabilities	11,041
Net current assets	7,067
Non-current liabilities	158
Shareholders' equity	8,629

**Note:**

- (1) The one-off cost relates to the cost of approximately US\$8.57 million (approximately S\$11.73 million) associated with the transfer of the Shares from GIL to The Pacific Trust in FY2010.

## 6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The proforma financial effects of the Proposed Acquisition on the Company are set out below.

**The objective of the financial effects is to illustrate what the historical financial information might have been had the Proposed Acquisition been completed at an earlier date. However, such information is not necessarily indicative of the results of operations or the related effects in the financial position that would have been attained had the Proposed Acquisition been completed at the earlier date.**



The proforma financial effects in this section are based on the audited consolidated financial statements of the Radiance Group for the year ended 31 December 2010 and the audited consolidated financial statements of the GIHL Group for the year ended 31 December 2010. The financial effects of the Proposed Acquisition have been prepared based on the following assumptions and anticipated events:

- (a) for the purpose of computing the financial effects of the Proposed Acquisition on the earnings and earnings per Share of the Company, the Proposed Acquisition is assumed to have been completed on 1 January 2010;
- (b) for the purpose of computing the financial effects of the Proposed Acquisition on the net tangible assets of the Company, the Proposed Acquisition is assumed to have been completed on 31 December 2010;
- (c) the proforma consolidated financial statements of the Company, where relevant, have been translated using the following rates:
  - 1 January 2010 - US\$1 = S\$1.405
  - 31 December 2010 - US\$1 = S\$1.286
  - FY2010 average rate - US\$1 = S\$1.369
- (d) in accordance with Singapore Financial Reporting Standards (FRS) 103, the goodwill arising from the Proposed Acquisition is approximately S\$23.75 million based on the assumption that the fair market value of the Radiance Group is S\$38.27 million, which is assumed to be the same as the net asset value of the Radiance Group as at 31 December 2010.

## 6.1 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION ON THE ISSUED SHARE CAPITAL OF THE COMPANY

The proforma effects on the issued and paid-up share capital of the Company after the allotment and issuance of the Consideration Shares are as follows:

	No. of Shares	Issued Share Capital (S\$'000)
Issued and paid-up share capital of the Company as at 31 December 2010	263,771,400	28,553
Issued and paid-up share capital of the Company after Share Consolidation	65,942,850	28,553
Consideration Shares to be issued pursuant to the Proposed Acquisition	122,515,189	37,820
Issued and paid-up share capital of the Company after the completion of the Proposed Acquisition	188,458,039	66,373

**6.2 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION ON EARNINGS OF THE COMPANY**

	<b>Before the Share Consolidation and Proposed Acquisition</b>	<b>After the Share Consolidation but before Proposed Acquisition</b>	<b>After Proposed Acquisition</b>	<b>After Proposed Acquisition but excluding one-off cost<sup>(1)</sup></b>
Net profit/(loss) of Radiance Group for FY2010 (S\$'000)	5,779	5,779	(3,374)	8,355
Weighted average number of Shares (or per Consolidated Share after Share Consolidation)	263,771,400	65,942,850	147,315,182 <sup>(2)</sup>	147,315,182 <sup>(2)</sup>
Earnings/(Loss) per Share (or per Consolidated Share after Share Consolidation) (cents)	2.19	8.76	(2.29)	5.67 <sup>(3)</sup>

**Notes:**

- (1) The one-off cost relates to the cost of approximately S\$11.73 million associated with the transfer of the Shares from GIL to The Pacific Trust in FY2010.
- (2) For the purpose of computing the earnings/(loss) per Consolidated Share after the Proposed Acquisition, the 41,142,857 Escrow Shares have been excluded.
- (3) Had the 41,142,857 Escrow Shares been included, earnings per Consolidated Share after the Proposed Acquisition but excluding one-off cost would be 4.43 cents.

**6.3 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION ON THE NET TANGIBLE ASSETS ("NTA") OF THE COMPANY**

	<b>Before the Share Consolidation and Proposed Acquisition</b>	<b>After the Share Consolidation but before Proposed Acquisition</b>	<b>After Proposed Acquisition</b>
NTA of Radiance Group as at 31 December 2010 (S\$'000)	38,269	38,269	25,169
Number of issued Shares (or Consolidated Shares after Share Consolidation)	263,771,400	65,942,850	147,315,182 <sup>(1)</sup>

	<b>Before the Share Consolidation and Proposed Acquisition</b>	<b>After the Share Consolidation but before Proposed Acquisition</b>	<b>After Proposed Acquisition</b>
NTA per Share (or per Consolidated Share after Share Consolidation) (cents)	14.51	58.03	17.09 <sup>(2)</sup>

**Notes:**

- (1) For the purpose of computing the NTA per Consolidated Share after the Proposed Acquisition, the 41,142,857 Escrow Shares have been excluded.
- (2) Had the 41,142,857 Escrow Shares been included, NTA per Consolidated Share after the Proposed Acquisition would be 13.36 cents.

**7. COMPLIANCE PLACEMENT**

Following the completion of the Proposed Acquisition and the issue and allotment of the Consideration Shares, it is expected that the percentage of the Shares that are held in public hands will fall below 25% and as a result, trading in the Shares on the SGX-ST will likely be suspended until the public float requirements under the SGX-ST Listing Manual are met. To achieve this, it is anticipated that the Company will undertake a Compliance Placement, on such terms as the Board may deem fit. Shareholders should note that the terms of the Compliance Placement, if and when it occurs, would be driven by various factors, including without limitation, market conditions and prices. Further details on the Compliance Placement will be released in due course.

**8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As at the date of this Announcement, none of the Directors hold any Shares in the Company.

As at 30 June 2011 (the “**Latest Practicable Date**”), the interests of the substantial Shareholders of the Company in the issued and paid-up share capital as recorded in the Register of Substantial Shareholders maintained pursuant to Section 88 of the Companies Act are as follows:

<b>Substantial Shareholders</b>	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>	<b>No. of Shares</b>	<b>%<sup>(1)</sup></b>
Vistra Corporate Services Limited as trustee of The Pacific Trust <sup>(2)</sup>	148,527,093	56.31	-	-
Prospect China Limited	14,000,000	5.31	-	-
<b>Total</b>	<b>162,527,093</b>	<b>61.62</b>	-	-

**Notes:**

- (1) Based on 263,771,400 Shares as at the Latest Practicable Date.
- (2) Mr Anthony Brian Taylor, Mr Gary Patrick Stafford and Mr Malcolm John Burrell are directors of GIHL and GIL, and are therefore part of the class of beneficiaries of The Pacific Trust.

Save as disclosed above, none of the Directors or substantial Shareholders have any interest, whether direct or indirect, in the Proposed Acquisition and/or the Compliance Placement.

**9. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION**

As at the date of this Announcement, the Executive Directors of the Company comprising Mr Anthony Brian Taylor, Mr Gary Patrick Stafford and Mr Malcolm John Burrell each hold approximately 9.06% of the shares in GIHL respectively. Each of Mr Anthony Brian Taylor, Mr Gary Patrick Stafford and Mr Malcolm John Burrell is a Vendor for the purpose of the Proposed Acquisition and accordingly is an interested person within the meaning of Rule 904 of the SGX-ST Listing Manual. As such, the proposed acquisition by the Company of each of Mr Anthony Brian Taylor's, Mr Gary Patrick Stafford's and Mr Malcolm John Burrell's holdings of the shares in GIHL constitutes interested person transactions ("IPT") as defined in Chapter 9 of the SGX-ST Listing Manual.

Rule 906 of the SGX-ST Listing Manual requires the Company to obtain Shareholders' approval for any IPT of a value equal to or more than, among other things, 5% of the Radiance Group's latest audited NTA.

Under the terms of the S&P Agreement, the portion of the Consideration payable to:

- (a) Mr Anthony Brian Taylor and/or his nominee(s) in connection with the Proposed Acquisition will be approximately S\$5,496,083. This represents approximately 14.36% of the latest NTA of the Radiance Group as at 31 December 2010, and exceeds the abovementioned 5% threshold.
- (b) Mr Gary Patrick Stafford and/or his nominee(s) in connection with the Proposed Acquisition will be approximately S\$5,496,083. This represents approximately 14.36% of the latest NTA of the Radiance Group as at 31 December 2010, and exceeds the abovementioned 5% threshold.
- (c) Mr Malcolm John Burrell and/or his nominee(s) in connection with the Proposed Acquisition will be approximately S\$5,496,083. This represents approximately 14.36% of the latest NTA of the Radiance Group as at 31 December 2010, and exceeds the abovementioned 5% threshold.

Accordingly, the Proposed Acquisition is subject to the approval of the Shareholders pursuant to Rule 906 of the SGX-ST Listing Manual and an independent financial adviser has been appointed to advise the Directors who are considered independent for the purpose of the Proposed Acquisition on whether the Proposed Acquisition is carried out on normal commercial terms and is prejudicial to the interests of the Company and its minority Shareholders.

Mr Anthony Brian Taylor, Mr Gary Patrick Stafford and Mr Malcolm John Burrell will abstain from making any recommendation to the Shareholders on the Proposed Acquisition.

**10. RESPONSIBILITY STATEMENT**

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the GIHL Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

The Vendors accept full responsibility for the accuracy of the information given in this Announcement in respect of the GIHL Group and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed by them in this Announcement in respect of the GIHL Group are fair and accurate in all material respects as at the date hereof, and that there are no material facts in respect of the GIHL Group the omission of which would make any statement in respect of the GIHL Group misleading in any material respect.

**11. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION**

The circular to shareholders of the Company (the “**Circular**”) containing further information on the Proposed Acquisition and other related matters, and enclosing the notice of the Extraordinary General Meeting to be convened to seek Shareholders’ approval for, among other things, the Proposed Acquisition, will be despatched by the Company to Shareholders in due course.

A copy of the S&P agreement and the Valuation Report will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

**12. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to numerous conditions and further due diligence by the Company. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, or whether the Compliance Placement will occur, or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition and other matters contemplated by this Announcement. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD**

John Lim Yew Kong  
Independent Director

30 June 2011

**Appendix A**

**LIST OF VENDORS**

<b>Name</b>	<b>Shareholding at date of S&amp;P Agreement</b>
Allen, Lee	691
Anthony, Sherry	500
Aston, Kenneth	1,307
Atkin, Harvey	4,461
Bevan, Stephen	3,892
Bolt, Andrew	1,957
Bonner, Stephen	1,157
Bransgrove, Samantha	1,312
Brixton, Adrian	2,833
Brooke, Richard	263
Burrell, Malcolm	30,000
Bush, Andrew	3,657
Canham, Pauline	4,950
Cannon, Stephen	1,980
Churchill, Neil	4,874
Clark, Joe	474
Collar, Andrew	685
Fearnley, Andrea	300
Fugeman, David	30,000
Gilbert, Anthony	575
Gray, Jeny	2,100
Green, Gill	735
Harber, Bryan	100
Harris, Norman	905
Harris, Paul	157
Harris, Peter	1,157
Hibbard, Christine	2,000
Honour, Stewart	3,524
Horrocks, Ivan	900
Huang, Tao	125
Jones, Michael	732
Matthews, Jonathan	3,057
McNeill, Mike	3,286
Mead, Geoffrey	3,224
Pannell, Helen	30,000
Pannell, Roger	30,000
Parfitt, John	30,000
Sayer, Neil	30
Shestak, Grigoriy	1,815
Smith, Dave	30,000
Stafford, Gary	30,000
Stillie, Andrew	1,317
Stokes, Geoffrey	2,280
Stokes, Jamie	657
Taylor, Tony	30,000
Twomey, Susanna	405
Wainwright, Jackie	900
Vistra Corporate Services (Employee Trust)	25,825
<b>Total shares in issue</b>	<b>331,099</b>

## Appendix B

### THE CONDITIONS PRECEDENT

1. The sale and purchase of the Sale Shares on the terms set out in the S&P Agreement being approved by the SGX-ST as (part of) a reverse take-over of the Purchaser pursuant to Part VIII, Chapter 10 of the SGX-ST Listing Manual, as relevant, and where approval from the SGX-ST is obtained subject to any conditions, such conditions being reasonably acceptable to the Parties.
2. The Sale Shares shall amount to 100% of the entire issued share capital of the Company at Completion.
3. The relevant resolutions of the Board of Directors of the Company having been obtained for the entry into, implementation and completion of the transactions contemplated under the S&P Agreement including registration of the Sale Shares in the name of the Company following Completion.
4. The completion of a legal, business and financial due diligence review, satisfactory to the Company, on each company of the GIHL Group (including without limitation, in relation to the assets, liabilities, contracts and affairs of each company of the GIHL Group), including the provision of legal opinions prepared by reputable and suitably qualified solicitors on the GIHL Group Companies and the transactions contemplated hereunder, to the satisfaction of the Company.
5. The approval of the shareholders of the Company being obtained at a general meeting of the Company (or any adjournment thereof) to be convened within six (6) weeks from the clearance by the SGX-ST of the Circular containing, *inter alia*, the following:
  - 5.1 The purchase of the Sale Shares on the terms set out in the S&P Agreement as a "Reverse Take-over" as defined under Chapter 10 of the SGX-ST Listing Manual and as an "Interested Person Transaction" as defined under Chapter 9 of the SGX-ST Listing Manual;
  - 5.2 The change of name of the Company to such name as may be determined by the Vendors (subject to prior approval for the new name being obtained from the Accounting and Corporate Regulatory Authority of Singapore);
  - 5.3 The allotment and issuance of the Consideration Shares;
  - 5.4 The allotment and issuance of the new ordinary shares of the Company pursuant to the Compliance Placement on such terms as may be determined by the Board of Directors of the Company as it deems fit, including without limitation the timing and pricing of the Compliance Placement, if and when it occurs, taking into account various factors, including without limitation, market conditions and prices. Where the SGX-ST requires that the terms of the Compliance Placement be approved by the shareholders of the Company, such approval being obtained;



- 5.5 The Share Consolidation;
  - 5.6 The share issue mandate of the Company; and
  - 5.7 The waiver, where necessary, by the shareholders of the Company of their rights to receive a mandatory general offer for all the shares held by such shareholders to be made by the Vendors and parties acting in concert with the Vendors pursuant to Rule 14 of the Take-over Code as a result of the allotment and issue of the Consideration Shares to the Vendors.
6. Where the SGX-ST requires that the terms of the Compliance Placement be specifically approved by the shareholders of the Company, such approval being obtained;
  7. The receipt of in-principle approval from the SGX-ST for the listing and quotation of the Consideration Shares to be allotted and issued pursuant to the S&P Agreement and if such approval is obtained subject to any conditions and where such conditions affect any Party, such conditions being acceptable to the Party concerned and, if such conditions are required to be fulfilled before Completion, the fulfilment of such conditions before the Completion Date.
  8. The audited consolidated Net Asset Value of the companies of the GIHL Group as at 31 December 2010 not being less than US\$8.0 million and save as disclosed in the Vendor's Disclosure Letter, there being no material adverse change in the financial position of the GIHL Group between 31 December 2010 and the Completion Date.
  9. No relevant authority having instituted or implemented any action, proceeding, suit, investigation, inquiry or reference, or made, proposed or enacted any statute, regulation, decision ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision ruling, statement or order which would or might:
    - 9.1 make the transactions contemplated under the S&P Agreement void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate the same;
    - 9.2 render the Company unable to acquire all the Sale Shares; and/or
    - 9.3 render the Vendors unable to dispose of all the Sale Shares.
  10. The Vendors having performed all of the covenants and undertakings required to be performed by them under the S&P Agreement on or before the Completion Date (other than those required to be performed at Completion).
  11. All consents, approvals or waivers as may be required (or deemed necessary by the Parties) being obtained from any other person(s), including but not limited to governmental, regulatory body or competent authority having jurisdiction over the Parties in respect of the transactions contemplated in the S&P Agreement, and such consents, approvals or waivers not having

been amended or revoked before Completion or the Long-Stop Date (whichever is earlier) and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Parties.

12. Save as disclosed in the Vendor's disclosure letter, the Vendors' Warranties remaining true and not misleading in any respect on the Completion Date, as if repeated on the Completion Date and at all times between the date of the S&P Agreement and the Completion Date and the Company having received a certificate signed by a director of GIHL for and on behalf of GIHL in this regard.
13. The Vendors' disclosure letter being satisfactory to the Company and having been delivered to the Company.
14. The waiver from the Securities Industry Council of Singapore being obtained by the Vendors in relation to the obligation of the Vendors and parties acting in concert with the Vendors to make a general offer for all the shares of the Company under Rule 14 of the Code (if required).
15. Confirmation from the Vendors that all option agreements in respect of any shares in any company of the GIHL Group (other than those exercised) have lapsed or have been made to lapse prior to Completion such that no options may be exercisable by any such option holder after Completion.
16. Tax clearance having been obtained from Her Majesty's Revenue and Customs in terms satisfactory to the Vendors prior to Completion.