



Radiance Group Limited

Radiance Shareholders Approve US\$49M RTO of U.K.-Based Sat Comms Equipment Specialist Global Invacom

- Merger will integrate satellite communications (“Sat Comms”) component R&D and sales of Global Invacom with Radiance’s manufacturing operations in China
- Based on historical financial performance of Radiance and GIHL, the proforma revenue and profit after tax of the combined entity was S\$138.3 million and S\$11.9 million, respectively, for the financial year ended 31 December 2011
- Global Invacom, which counts clients such as BSkyB of U.K. and Dish Network of U.S., will seek to penetrate new segments such as marine Sat Comms and new markets in Asia

Singapore, 15 June 2012 – Shareholders of **Radiance Group Limited** (“Radiance”) approved today a US\$49 million reverse takeover (“RTO”) with Global Invacom Holdings Limited (“GIHL”) of U.K., creating an integrated satellite communications (“Sat Comms”) specialist with U.S. and European customers, and fully integrated manufacturing operations in China.

Following a poll at the extraordinary general meeting (“EGM”) of Radiance, 57.2% of minority shareholders present voted for a key resolution to acquire GIHL, while 42.8% voted against.

Based on historical financial performance of Radiance and GIHL, the proforma revenue and profit after tax of the combined entity was S\$138.3 million and S\$11.9 million, respectively, for the financial year ended 31 December 2011 (“FY2011”).

The RTO values GIHL – one of the several companies worldwide involved in the R&D, design and supply of Sat Comms products to major satellite broadcasters such as BSkyB of U.K. and DISH Network Corporation (“DISH”) of the U.S. – at US\$49 million (approximately S\$60.6 million), a 12.66% discount to the US\$56.1 million valuation based on an independent report commissioned in 2011 by Radiance’s independent directors.



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The acquisition of GIHL will be satisfied by cash payment of US\$18.5 million (approximately S\$22.8 million) and the balance US\$30.5 million (approximately S\$37.8 million) via the issue of 122.52 million new Radiance shares (“Consideration Shares”) at S\$0.3087 per share to the vendors.

Prior to the issuance of Consideration Shares, Radiance shares will first be consolidated on a four-to-one basis (from 263.77 million to 65.94 million consolidated shares (“Consolidated Shares”). After the RTO and issue of Consideration Shares, a further 41.54 million Consolidated Shares will be allotted and placed (“Compliance Placement”) to investors to meet SGX guidelines on the enlarged group’s market capitalisation, bringing the total issued share capital base to 230 million shares.

GIHL, which has filed 31 patent applications and invested US\$13.8 million in R&D between 2009 and 2011, has been Radiance’s customer since July 1999. During the 2008-2009 global financial crisis, Radiance’s controlling shareholder, Thumb (China) Holdings Group Limited, ran into financial difficulty and the latter’s 52.41% stake was publicly auctioned and sold for S\$10.53 million in 2010 to GIHL. GIHL had acquired the stake to protect its supply chain, which triggered a mandatory general offer after which GIHL’s stake increased to 59.08%.

However, in the last two years, Radiance has been facing rising labour and material costs in China, with operational-related costs denominated in a rising Renminbi while revenue is denominated in US dollars. The recent European economic uncertainty has weakened orders, while price-cutting has led to consolidation of weaker EMS players in China.

Mr Tony Taylor, Radiance’s Executive Chairman who is also GIHL’s Managing Director, said: “We thank shareholders for endorsing the transaction which creates a merged entity with a superior value proposition to customers and an integrated supply chain which combines R&D, front-end interface with Sat Comms customers, backed by lower-cost but high-quality manufacturing in Asia.”

“We now embark on a new chapter of our growth, which will involve forging a new identity and a roadmap which will include deeper integration, offering more and better products to our clients, and widening our customer base to include new Sat Comms users as well as a wider geographical reach,” he added. “As a high-tech company listed on the SGX, we believe the enlarged entity will be attractive to institutional and retail investors based in Asia.”

Following the RTO, Radiance intends to change its name to “Global Invacom Group Limited”.



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DMG & Partners Securities Pte Ltd acted as Financial Adviser to the RTO and Provenance Capital Pte. Ltd. as the Independent Financial Adviser.

**** End of Press Release ****

About Radiance Group Limited

Radiance Group Limited (Radiance) provides electronics manufacturing services in satellite communications, TV peripherals, computer peripherals, medical, and consumer electronics industries. Radiance was listed on SGX-SESDAQ in June 2003 and transferred to the SGX-Main Board in 2006. It has manufacturing plants in Shanghai and Shenzhen.

About Global Invacom Holdings Limited

Global Invacom Holdings Limited (GIHL) is a privately held UK-based satellite equipment company formed in 2008 from the merger of Global Communications and Invacom and is one of seven companies in the world involved in R&D, design and supply of satellite components and products to large scale satellite broadcasters. GIHL offers a full range of LNB receivers, transmitters, switches, and video distribution components. To date, it has filed 31 patent applications and invested US\$13.8 million in R&D between 2009 and 2011.

For media queries, please contact:

David Newcombe
Chief Financial Officer
Radiance Group Limited
8 Temasek Boulevard
#20-03 Suntec Tower Three
Singapore 038988

On behalf of Radiance Group Limited:

WeR1 Consultants Pte Ltd
38A Circular Road Singapore 049394
Lai Kwok Kin, laikkin@wer1.net (Tel: +65 98192153)
Amelia Lee amelia@wer1.net (Tel: +65 6737 4844)