GLOBAL INVACOM GROUP LIMITED
(formerly known as Radiance Group Limited)
(Incorporated in Singapore)
(Company Registration No: 200202428H)

ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE WAVEGUIDE SOLUTION LIMITED

DMG & Partners Securities Pte Ltd ("DMG") was the financial adviser to the Company in relation to the acquisition of Global Invacom Holdings Limited. DMG assumes no responsibility for the contents of this announcement.

1. INTRODUCTION

The Board of Directors of Global Invacom Group Limited (the "**Company**") wishes to announce that the Company has on 3 August 2012 entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with Michael Jackson and Benjamin Cartridge (the "**Vendors**"), in relation to the acquisition (the "**Acquisition**") of the entire issued and paid-up share capital of The Waveguide Solution Limited ("**TWS**"). The completion of the Acquisition (the "**Completion**") took place on 3 August 2012 (the "**Completion Date**").

2. INFORMATION ON TWS

TWS is a company incorporated and registered in England and Wales with principal activities of the design and manufacture of microwave waveguide components and applications for the military, medical, aerospace and marine industries. TWS recorded revenue of £4.13 million (approximately S$8.33 million) in its latest financial year ended 29 February 2012.

3. RATIONALE FOR THE ACQUISITION

The directors of the Company are of the view that the Acquisition is in the best interests of the Company as they believe TWS will be accretive in terms of earnings and margin, is an approved military and marine supplier, will bring in new prestigious customers and give access to growth opportunities within new sub-sectors in the satellite communications industry.

4. KEY TERMS OF THE ACQUISITION

4.1 Sale and Purchase

Pursuant to the S&P Agreement, the Company shall acquire the entire issued and paid-up share capital of TWS as at the Completion Date for an aggregate consideration of £4.75 million (the "**Consideration**").

4.2 Consideration for the Acquisition

The Consideration was arrived at after arm's length negotiations, on a "willing company willing seller" basis, based on an assessment of historical and projected earnings, earnings multiples and cashflow.

The Consideration is to be fully satisfied by way of

(a) the sum of £3,515,000 payable in cash (the "**Cash Consideration**") in the following manner:

 (i) £3,040,000 to Michael Jackson; and

 (ii) £475,000 to Benjamin Cartridge,

 under the understanding and agreement amongst the Company and the Vendors that £475,000 of the Cash Consideration (the "**Retention**") shall be deposited in an escrow bank account jointly operated by the Company's lawyers and the Vendors' lawyers. The Retention shall be held in the escrow bank account until its release in accordance with the terms of the S&P Agreement. Notwithstanding that the Cash Consideration less the Retention is to be paid on Completion under the terms of the S&P Agreement, the Company and the Vendors have agreed that the Cash Consideration less the Retention shall be paid on 6 August 2012.

 In the event that there are no warranty claims brought by the Company against the Vendors during the period six (6) months from the Completion Date, half of the Retention will be released to the Vendors on the six month anniversary of the Completion Date.

 In the event that there are no warranty claims brought by the Company against the Vendors during the period six (6) months from the six month anniversary of the Completion Date, the remaining Retention will be released to the Vendors on the twelve month anniversary of the Completion Date.

 If a claim is successfully made against the Vendors in accordance with the S&P Agreement, the claim shall be satisfied by the release of the amount of such claim from the escrow bank account and paid to the Company.

 As disclosed in the offer information statement of the Company dated 31 July 2012 lodged with the Monetary Authority of Singapore on the same day, the proceeds of the placement undertaken by the Company of 41,539,000 new ordinary shares in the Company for the purpose of meeting the shareholding spread and distribution requirements of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**") following the acquisition of Global Invacom Holdings Limited (the "**Placement**") which have been allocated to investment and acquisition activities will be used to pay for the Cash Consideration. This use of proceeds is in accordance with the stated use and in accordance with the percentage allocated in the offer information statement. As the Placement is not expected to be completed by 6 August 2012, the Company intends to use a combination of internal funds and external bank borrowings to pay for the Cash Consideration less the Retention, which will be repaid upon receipt of the proceeds of the Placement.

(b) the sum of £1,235,000 (the "**Share Consideration**") payable in the form of 7,805,264 new ordinary shares in the Company (the "**Consideration Shares**") to be issued and allotted to the Vendors at an issue price of S$0.3087 per Consideration Share (the "**Issue Price**"), computed using a fixed exchange rate of £1 = S$1.951, in the following manner:

 (i) the sum of £760,000 payable in the form of 4,803,239 Consideration Shares at the Issue Price to Michael Jackson; and

(ii) the sum of £475,000 payable in the form of 3,002,025 Consideration Shares at the Issue Price to Benjamin Cartridge.

The Consideration Shares, when issued, shall rank *pari passu* with the existing ordinary shares in the capital of the Company. Under the S&P Agreement, the Vendors have undertaken that they will not for a period of twelve (12) months from the allotment and issue of the Consideration Shares to them, dispose of or create any encumbrance over any of the Consideration Shares except with the prior consent of the Company.

4.3 Allotment and Issue of the Consideration Shares

The allotment and issue of the Consideration Shares is conditional upon the following conditions (the "**Conditions**") being fulfilled:

(a) completion of the Placement and the lifting of suspension of trading of shares in the Company by the SGX-ST;

(b) compliance with any requirements in the Listing Manual including, any announcement requirements; and

(c) the approval in principle from the SGX-ST for the listing and quotation of the Consideration Shares and if such approval in principle is subject to any condition or restriction imposed by the SGX-ST, such condition or restriction being reasonably satisfactory to the Vendors.

The Consideration Shares shall be allotted and issued to the Vendors not later than 14 days from the date on which the Conditions are fulfilled.

In the event that the Consideration Shares are not allotted and issued to the Vendors on or before the date falling twelve months from the Completion Date (the "**Long-Stop Date**"), the Company shall pay to the Vendors the sum of £1,235,000 in cash within 5 business days of the Long Stop Date in the following manner:

(i) £760,000 to Michael Jackson; and

(ii) £475,000 to Benjamin Cartridge.

4.4 Other Salient Terms

(a) On Completion, Michael Jackson entered into a consultancy agreement while Benjamin Cartridge entered into an employment contract with TWS.

(b) The Vendors have given several non-competition undertakings and covenants to the Company which include, *inter alia*, a restriction against being involved in a business which would be in competition with any part of the business of TWS as at the Completion Date for a period of three years from the Completion Date and a restriction against soliciting orders from customers or suppliers or enticing away any of the employees of TWS.

4.5 Undertakings, Representations and Warranties

The Acquisition is subject to such further undertakings, representations and warranties from the Vendors as are customary for transactions of similar nature.

5. FINANCIAL EFFECTS OF THE ACQUISITION

The net tangible asset value of the entire issued and paid-up share capital of TWS as at 31 December 2011 was approximately £2.05 million.

The *proforma* financial effects of the Acquisition on the Company, its subsidiaries and associated company (together, the "**Group**") are set out below.

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

The *proforma* financial effects in this section are based on the audited consolidated financial statements of the Group and the unaudited management accounts of TWS for the financial year ended 31 December 2011 ("**FY2011**"). The financial effects of the Acquisition and the relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual have been prepared based on the following assumptions and anticipated events:

(a) for the purpose of computing the net tangible asset per share of the Group after the Acquisition, it is assumed that the Acquisition had been completed at the end of FY2011;

(b) for the purpose of computing the earnings and earnings per share of the Group after the Acquisition, it is assumed that the Acquisition had been completed at the beginning of FY2011;

(c) an average exchange rate of £1 = S$2.016 and closing exchange rate of £1 = S$2.005 has been assumed; and

(d) it has been assumed that all the shares offered by the Company pursuant to the Placement are placed out.

5.1 Net Tangible Assets Per Share

Assuming that the Acquisition had been completed at the end of FY2011, the Acquisition would have had the following effects on the consolidated net tangible assets ("**NTA**") per share of the Group:

	Before the Acquisition	**After the Acquisition**
NTA of the Group as at 31 December 2011 (S$'000)	42,580	39,834
Number of issued shares ('000)	229,997	237,802
NTA per share (cents)	18.51	16.75

5.2 Earnings Per Share

Assuming that the Acquisition had been completed at the beginning of FY2011, the Acquisition would have had the following effects on EPS of the Group:

	Before the Acquisition	**After the Acquisition**
Net profit of the Group for FY2011 (S$'000)	5,481	6,752
Weighted average number of shares ('000)	229,997	237,802
Earnings per share (cents)	2.38	2.84

6. MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

Based on the audited consolidated financial statements of the Group and the unaudited management accounts of TWS for FY2011, the relative figures for the Acquisition computed on the bases set out in Rule 1006(a) to (d) of the Listing Manual are as follows:

Rule 1006(a)	
Net asset value of the assets to be disposed of	Not applicable
Net asset value of the Group ('000)	S$42,662
Size of relative figure	Not applicable

Rule 1006(b)	
Net profit/(loss)[(1)] attributable to the acquired assets ('000)	S$1,922
Net profit/(loss) of the Group ('000)	S$8,577
Size of relative figure	22.40%

Rule 1006(c)	
Aggregate value of consideration to be given ('000)	S$9,267
Company's market capitalisation as at 9 July 2012[(2)] ('000)	S$87,169
Size of relative figure	10.63%

Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration ('000)	7,805
Number of equity securities in issue ('000)	229,997
Size of relative figure	3.39%

<u>Notes:</u>

(1) Under Rule 1002(3)(b) of the Listing Manual, net profit/(loss) is defined as profit or loss before income tax, minority interests and extraordinary items.

(2) The market capitalisation of S$87.17 million is derived from the volume weighted average price of S$0.379 per share as at 9 July 2012, being the last traded market day prior to the suspension of trading in the shares of the Company (*Source: Bloomberg L.P.)*.

Rule 1014 of the Listing Manual states that a major transaction, that is where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20%, must be made conditional upon approval by shareholders in a general meeting. However, if the only limit breached is Rule 1006(b), approval by shareholders will not be required. Accordingly, the Acquisition constitutes a "Major Transaction" under the provisions of Rule 1010 of the Listing Manual but does not require the approval of shareholders of the Company.

7. SERVICE CONTRACTS

No service contract is proposed to be entered into with any person to be appointed to the board of the Company in connection with the Acquisition.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the S&P Agreement is available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

4 August 2012