GLOBAL INVACOM GROUP LIMITED

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

HALF-YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2012

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

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income for the half-year ended 30 June 2012. These figures have not been audited.

	Group		
	1H FY2012 S$'000	**1H FY2011 S$'000**	**Increase/ (Decrease) %**
Revenue	**40,104**	**57,300**	**(30.0)**
Cost of sales	(36,488)	(45,552)	(19.9)
Gross profit	3,616	11,748	(69.2)
Other income	14	370	(96.2)
Distribution costs	(77)	(486)	(84.2)
Administrative expenses	(3,304)	(4,829)	(31.6)
Other operating expenses	(175)	(52)	236.5
Finance income	231	56	312.5
Finance costs	-	(33)	(100.0)
Profit before income tax[i]	**305**	**6,774**	**(95.5)**
Income tax	(188)	(2,179)	(91.4)
Profit after income tax	**117**	**4,595**	**(97.5)**
Other comprehensive loss			
- Exchange differences on translation of foreign operations	(949)	(1,930)	(50.8)
Total comprehensive (loss)/income for the period attributable to equity holders of the Company	**(832)**	**2,665**	**N.M.**

N.M.: Not Meaningful

Note:

(i) Profit before income tax was determined after (charging)/crediting the following:

	Group		
	1H FY2012 S$'000	**1H FY2011 S$'000**	**Increase/ (Decrease) %**
Other income	14	83	(83.1)
Interest income	231	56	312.5
(Loss)/Gain on foreign exchange	(173)	287	N.M.
Allowance for inventory obsolescence	-	(225)	(100.0)
Interest on borrowings	-	(33)	(100.0)
Depreciation of plant and equipment	(502)	(538)	(6.7)
Loss on disposal of plant and equipment	(2)	(52)	(96.2)
Operating lease	(663)	(629)	5.4

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current Assets				
Plant and equipment	3,151	3,635	81	109
Investment in subsidiaries	-	-	24,649	24,649
Club membership	82	82	82	82
	3,233	3,717	24,812	24,840
Current Assets				
Due from subsidiaries	-	-	4,691	5,537
Inventories	12,994	14,180	-	-
Trade receivables	15,983	15,684	-	-
Other current assets	1,040	1,189	158	239
Cash and cash equivalents	23,804	26,996	327	287
	53,821	58,049	5,176	6,063
Total assets	**57,054**	**61,766**	**29,988**	**30,903**
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Share capital	28,553	28,553	28,553	28,553
Reserves	13,277	14,109	514	1,353
Total equity	**41,830**	**42,662**	**29,067**	**29,906**
Current Liabilities				
Trade payables	11,555	12,455	-	-
Other payables	2,909	5,674	622	698
Provision for income tax	760	975	299	299
	15,224	19,104	921	997
Total liabilities	**15,224**	**19,104**	**921**	**997**
Total equity and liabilities	**57,054**	**61,766**	**29,988**	**30,903**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral

None.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	1H FY2012	**1H FY2011**
	S$'000	**S$'000**
Cash Flows from Operating Activities		
Profit before income tax	305	6,774
Adjustments for:		
Depreciation of plant and equipment	502	538
Loss on disposal of plant and equipment	2	52
Allowance for inventory obsolescence	-	225
Unrealised exchange loss	251	146
Interest income	(231)	(56)
Interest expense	-	33
	829	**7,712**
Operating cash flow before working capital changes		
Changes in working capital:		
Inventories	1,186	(5,926)
Trade receivables	(303)	(2,299)
Other current assets	147	(764)
Trade and other payables	(3,661)	(331)
Cash used in operating activities	**(1,802)**	**(1,608)**
Interest paid	-	(33)
Income tax paid	(387)	(841)
Net cash used in operating activities	**(2,189)**	**(2,482)**
Cash Flows from Investing Activities		
Interest received	231	56
Purchase of plant and equipment	(97)	(93)
Proceeds from disposal of plant and equipment	-	134
Net cash generated from investing activities	**134**	**97**
Cash Flows from Financing Activities		
Proceeds from borrowings	-	4,111
Repayment of borrowings	-	(3,752)
Repayment to hire purchase creditors	-	(53)
Decrease/(Increase) in restricted cash	76	(5,132)
Net cash generated from/(used in) financing activities	**76**	**(4,826)**
Net decrease in cash and cash equivalents	(1,979)	(7,211)
Cash and cash equivalents at the beginning of the period	23,228	20,667
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,137)	(2,014)
Cash and cash equivalents at the end of the period[i]	**20,112**	**11,442**

Note:

(i) For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	1H FY2012 S$'000	1H FY2011 S$'000
Cash and bank balances	14,116	15,927
Fixed deposits	9,688	9,095
	23,804	25,002
Less: Restricted cash*	(3,692)	(13,580)
Cash and cash equivalents per the consolidated statement of cash flows	**20,112**	**11,442**

* Restricted cash relates to fixed deposits of subsidiaries pledged with the banks for facilities and loans granted to the Group. As at 30 June 2012, neither facilities nor loans were utilised.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Retained profits S$'000	Total S$'000
Balance as at 1 Jan 2012	**28,553**	**5,544**	**(5,979)**	**14,544**	**42,662**
Total comprehensive (loss)/income for the period	-	-	(949)	117	(832)
Balance as at 30 Jun 2012	**28,553**	**5,544**	**(6,928)**	**14,661**	**41,830**
Balance as at 1 Jan 2011	**28,553**	**4,621**	**(6,394)**	**11,489**	**38,269**
Total comprehensive income for the period	-	-	(1,930)	4,595	2,665
Transfer to capital reserve in accordance with statutory requirements	-	472	-	(472)	-
Balance as at 30 Jun 2011	**28,553**	**5,093**	**(8,324)**	**15,612**	**40,934**

Company	Share capital S$'000	Retained profits/ (Accumulated losses) S$'000	Total S$'000
Balance as at 1 Jan 2012	**28,553**	**1,353**	**29,906**
Total comprehensive loss for the period	-	(839)	(839)
Balance as at 30 Jun 2012	**28,553**	**514**	**29,067**
Balance as at 1 Jan 2011	**28,553**	**(3,241)**	**25,312**
Total comprehensive income for the period	-	2,029	2,029
Balance as at 30 Jun 2011	**28,553**	**(1,212)**	**27,341**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.
State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The changes in the share capital during the period were as follows:

1H FY2012	**No. of shares**	**S$'000**
Balance as at 1 Jan 2012	263,771,400	28,553
Balance as at 26 June 2012 (After the share consolidation of every four shares into one consolidated share)	65,942,850	28,553
Fractional shares disregarded for the purpose of the share consolidation	(4)	-
Balance as at 30 Jun 2012	65,942,846	28,553

1H FY2011	**No. of shares**	**S$'000**
Balance as at 1 Jan 2011 and 30 Jun 2011	263,771,400	28,553

Pursuant to the acquisition by the Company of the entire issued and paid-up share capital of Global Invacom Holdings Limited ("GIHL"), the Company undertook to consolidate every four shares into one consolidated share, rounded down to the nearest whole consolidated share and any fractions of shares arising from the share consolidation to be disregarded. The share consolidation was approved by the shareholders at the extraordinary general meeting ("EGM") held on 15 June 2012.

There were no outstanding convertibles or treasury shares as at 30 June 2012 and 30 June 2011.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 Jun 2012	**31 Dec 2011**
Total number of issued shares	65,942,846	263,771,400

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been applied consistently for the current financial period ended 30 June 2012 as those used in the audited financial statements for the year ended 31 December 2011, except for the adoption of the new or revised Financial Reporting Standards ("FRS") applicable for the financial period beginning 1 January 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new or revised FRS does not have any financial impact on the Group's financial position or results.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group, after deducting any provision for preference dividends	**Group**			
	1H FY2012		**1H FY2011**	
	Before the share consolidation	After the share consolidation	Before the share consolidation	After the share consolidation
(a) Based on weighted average number of ordinary shares on issue; and	0.05 cent	0.18 cent	1.74 cents	6.96 cents
(b) On a fully diluted basis	0.05 cent	0.18 cent	1.74 cents	6.96 cents

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group			
	30 Jun 2012		**31 Dec 2011**	
	Before the share consolidation	After the share consolidation	Before the share consolidation	After the share consolidation
Net asset value per ordinary share based on issued share capital	15.86 cents	63.43 cents	16.17 cents	64.68 cents

	Company			
	30 Jun 2012		**31 Dec 2011**	
	Before the share consolidation	After the share consolidation	Before the share consolidation	After the share consolidation
Net asset value per ordinary share based on issued share capital	11.02 cents	44.08 cents	11.34 cents	45.36 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Statement of Comprehensive Income

Revenue

The Group's revenue decreased by 30.0% to S$40.1 million in 1H FY2012 compared to S$57.3 million in 1H FY2011.

Global Invacom Limited ("GIL"), the Group's largest customer, contributed S$26.4 million in revenue for 1H FY2012, an increase of S$0.8 million or 3.0% compared to 1H FY2011, in the Satellite Communications ("Satcom") segment. Overall, the Satcom segment recorded a 1.4% increase in revenue to S$26.4 million from S$26.0 million over the comparative period.

The core business from GIL has contributed more than half of the Group's total revenue from FY2009 to 1H FY2012 and has provided earnings stability and a strong volume base.

On the other hand, revenue from the majority of the other customers, in the Other Products segment, decreased 56.8% to S$13.4 million from S$30.9 million a year ago. This was attributable to the completion of a short lead-time order from a significant customer in FY2011, the absence of new sizable contracts in 1H FY2012 and a decline in revenue from most customers of the Electronics Manufacturing Services ("EMS") business, due to the economic uncertainty in Europe and other regions where the EMS customers are based.

Revenue from the top three customers contributed 84.1% of the Group's revenue in 1H FY2012.

Profit

Gross profit decreased to S$3.6 million in 1H FY2012 from S$11.7 million a year ago while gross profit margin decreased to 9.0% from 20.5% previously. This was due to an absence of new sizable contracts, slower orders following the global economic uncertainty, price pressures from customers and rising costs of materials and wages. The Group also did not enjoy any value-added tax rebate in 1H FY2012 compared to the S$0.7 million received by a subsidiary in China in 1H FY2011.

Other income declined mainly due to the absence of foreign exchange gain and the corresponding foreign exchange loss was recorded in other operating expenses. Distribution costs decreased on lower commissions paid to marketing agents. The completion of the corporate exercise also reduced the administrative expenses as professional fees decreased accordingly. Finance income increased due to higher average fixed deposit balances and interest rates. There were no finance costs since there were no borrowings for the period.

Profit before tax was S$0.3 million in 1H FY2012 compared to S$6.8 million in 1H FY2011, with profit margin at 0.8% compared to 11.8% a year ago.

Income tax decreased accordingly to S$0.2 million in 1H FY2012 from S$2.2 million in 1H FY2011. In addition, the Group recorded a net profit of S$0.1 million in 1H FY2012 compared to S$4.6 million in 1H FY2011, with a net profit margin of 0.3% compared to 8.0%.

Consolidated Statement of Financial Position

The Group's total equity was S$41.8 million as at 30 June 2012 compared to S$42.7 million as at 31 December 2011, a decrease of S$0.8 million.

Non-current assets decreased to S$3.2 million as at 30 June 2012 from S$3.7 million as at 31 December 2011, mainly due to depreciation of plant and equipment.

Net current assets remained fairly constant at S$38.6 million as at 30 June 2012 compared to S$38.9 million as at 31 December 2011. Inventories decreased to S$13.0 million from S$14.2 million, trade receivables increased to S$16.0 million from S$15.7 million and trade payables decreased to S$11.6 million from S$12.5 million as at 30 June 2012 and 31 December 2011 respectively. Cash and cash equivalents decreased to S$23.8 million from S$27.0 million, following the payment to the professionals for the corporate exercise and to continue supporting the operating activities. There were no borrowings as at 30 June 2012.

<u>Consolidated Statement of Cash Flows</u>

The Group generated S$0.8 million of operating free cash flow before working capital changes in 1H FY2012, a significant decrease compared to S$7.7 million in 1H FY2011. This was primarily driven by the reduction in revenue growth and margins in 1H FY2012.

Net cash used in operating activities, after working capital changes and taxes paid, decreased to S$2.2 million in 1H FY2012. Together with the net cash generated from investing and financing activities of S$0.2 million, the Group recorded a net decrease in cash and cash equivalents of S$2.0 million in 1H FY2012. Cash and cash equivalents per the consolidated statement of cash flows was S$20.1 million as at 30 June 2012 compared to S$11.4 million a year ago.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the last results announcement made by the Company on 28 February 2012, the Group announced that while it continued developing of business opportunities for its Other Products segment, the absence of new sizable contracts such as the significant one-off project secured in 1H FY2011 could impact the performance of the Group in 1H FY2012.

The Company further announced on 11 June 2012 that following the completion of the one-off project as mentioned above, a preliminary review of the Group's 1H FY2012 indicated that its EMS business has been affected by a combination of slower orders due to the economic uncertainty in Europe, price pressures from customers as well as rising operating costs. In particular, there has been an absence of new sizable contracts such as a significant one-off EMS project recorded in 1H FY2011.

In view of the above, the Company expected its overall revenue and earnings to decline significantly in 1H FY2012 compared to 1H FY2011. The actual results of the Group for 1H FY2012 have shown a reduction in revenue and earnings.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's EMS operations located in Shanghai and Shenzhen in China continue to face pressures from rising raw material costs, higher wages and a strengthening Renminbi relative to a weakening US Dollar. The Group is aware that these pressures may continue to increase during the second half of FY2012 impacting earnings and margins going forward.

With the approval granted by the shareholders at the Company's extraordinary general meeting held on 15 June 2012, the acquisition of the entire issued and paid-up share capital of GIHL was completed on 5 July 2012. With the acquisition of GIHL, the Company has moved from being purely an EMS business, to become a player in the satellite communications and television peripherals industry. The enlarged group has been renamed Global Invacom Group Limited.

The Company is undertaking a compliance placement of 41.5 million placement shares ("Compliance Placement") upon completion of the acquisition. The Compliance Placement was undertaken to comply with the shareholding spread and distribution requirements of Rule 210(1)(a) of the Listing Manual. Pursuant to the Compliance Placement, the Company had lodged the offer information statement with the Monetary Authority of Singapore on 31 July 2012.

The acquisition of GIHL marks a major transition in the strategic direction of the Group going forward. The enlarged group will reap benefits and form synergies from integrating the supply chain and other operations and resources of the EMS and the GIHL businesses, and has outlined a strategy to expand its business in the Asia Pacific as well as sub-sectors within the global Satcom business.

The Group is cautiously assessing the impact of the looming global economic uncertainty but remains optimistic on the benefits leveraged from the merger, new opportunities in Asia Pacific and its ability to penetrate and offer value-added propositions to the marine and other Satcom sub-sectors.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the six months ended 30 June 2012.

13. Interested Person Transactions ("IPTs")

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)
Global Invacom Limited	-	13,424,572
GI Provision Limited	-	233,995

CONFIRMATION BY THE BOARD OF DIRECTORS (THE "BOARD") PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We do hereby confirm, for and on behalf of the Board of Global Invacom Group Limited (the "Company"), that to the best of our knowledge, nothing has come to the attention of the Board of the Company which may render the financial results for the six months ended 30 June 2012 to be false or misleading in any material aspect.

On behalf of the Board

Anthony Brian Taylor
Director

Gary Patrick Stafford
Director

BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

8 August 2012