

CORPORATE UPDATE



Investor and Media Briefing
26 March 2013

Introduction to Global Invacom Group Limited



- Merger of SGX-listed Radiance Group Ltd and Global Invacom Holdings Ltd through RTO on 5 July 2012
- Involved in R&D, design, production, marketing and distribution of Sat Comms products, primarily to large-scale satellite broadcasters (e.g. BSkyB and DISH Networks)
- Manufacturing facilities at Shenzhen & Shanghai, China

Recap: RTO and Compliance Placement

Memorandum
of Agreement

3 Nov 2010

Proposed
Acquisition

30 Jun 2011

Acquisition &
Name
Change

5 Jul 2012

Shares
Suspended

10 Jul – 18
Sep 2012

Compliance
Placement
Completion

18 Sep 2012

- Acquired GIHL for US\$49M (US\$18.5M cash and 122.52M shares at S\$0.3087 (US\$30.5M))
 - Issued 41.54M shares at S\$0.3087 per share as compliance placement

Corporate Data

Basic Share Data	(as at 25 Mar 13)
Share Price	S\$0.177
Daily Ave. Volume	327,900
No. of Issued shares	237,802,299
Market Capitalisation	S\$42.091M
Net Tangible Asset (NTA) per share	15.69 cents
Price / NTA	1.13 X

Major Shareholders	% of shares held
OCBC Securities P/L	20.85%
Stamford Law Corp.	17.30%
UOB Kay Hian P/L	8.08%



Rationale for RTO

RTO Rationale	What has been done
Meaningful synergies between principal business activities of Radiance Group and GIHL Group	<ul style="list-style-type: none"> – streamlines supply chain – improved value proposition to end-customers
A platform to venture into Sat Comms and TV peripherals industries with significant opportunities for growth	<ul style="list-style-type: none"> – took over pressing business in Birmingham – secured new contract for BSkyB – acquisition of TWS
Inject experienced Management team to PRC facilities	<ul style="list-style-type: none"> – assigned UK quality manager – contracted external quality consultant
Asian presence by GIHL can open up more opportunities for Sat Comms business	<ul style="list-style-type: none"> – secured significant Sat Comms contract from Asian satellite broadcaster – incorporated Malaysian subsidiary (assembly operations in Selangor)

FY2012 Financial Highlights

Revenue	up by S\$14.5M or 18.3% to S\$93.3M (including S\$15.8M from RESZ in 2HFY2012)
Sat Comms Revenue	lower by 1.8% to S\$77.4M ; includes S\$4.6M from TWS and Global Invacom (Malaysia)
Gross Profit Margin	declined to 18.8% from 28.4%; mainly due to lower margin Contract Manufacturing and rectification of quality issues from Sat Comms
Net Loss	S\$20.0M loss (FY11: S\$5.1M profit) includes S\$18.8M write-off of RTO goodwill
<ul style="list-style-type: none">• Higher Cash and Cash equivalents at S\$25.5M (FY11: S\$2.4M); mainly from RTO net proceeds of S\$23.8M• NAV strengthened by S\$27.6M to S\$44.0M (19.12c per share)	

Contract Manufacturing-Related Quality Issues

Quality Issues Faced By RESH in China

- affected products for a US customer
- re-work or replacement led to additional costs and freight charges



Quality Measures Taken


- assigned a Quality Manager and contracted external consultant
- Re-trained workers in the correct use of recalibrated equipment
- Increased emphasis on quality by mandating RESH quality department to report directly to UK; and assigned management control to the UK Operations Director

Relationship With Major Customers & Follow-On Orders



- FY2012 order backlog fulfilled by end-March 2013
- US-customer has placed additional orders; several new product offerings (extend range of products & more complex)
- New US orders to ship progressively in 2H FY2013
- Took over pressing business in Birmingham; secured new contract for BSkyB

Asia Pacific Expansion



reduce dependence on a key customers in US and Europe

secured a substantial contract (at least US\$20M orders in FY2013) from a major Asian customer





begun assembly operations in Selangor, Malaysia

will build up Asian market; and expand manufacturing facility in Asia

Update on M&As – TWS

- recognised 5 months revenue of approx. S\$3.0M in FY2012 and approx. S\$0.4M PBT
- to recognise full-year revenue and PBT in FY2013; performance to be significantly better
- in-house assembly vs. subcontracting lowers costs
- to expand into military, medical, and telecom-related Sat Comms products and services
 - assess and evaluate Sat Comms market for other M&A opportunities; further enhance shareholder value

Outlook

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- overcome quality issues and improved processes
 - strong customer relationship & R&D capabilities
 - synergies following RTO and M&A
 - expand Asian market after major order
 - opportunity of volume manufacturing in Malaysia
 - position Group as a global leader of Sat Comms
 - on track to achieving strategic objectives of RTO
 - expects to return to profitability in FY2013



global invacom
completing the picture

THANK YOU!

