



Radiance Electronics Limited
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FOR IMMEDIATE RELEASE

Radiance Electronics Shines with Record Earnings of \$7.8 million

- Revenue increased 70.2% to \$154.5 million while earnings soared 74.5% to \$7.8 million
- Excluding impairment in value of investment, net profit would increase to \$8.5 million
- Secured new key customers who have started qualification processes
- Rewards shareholders with final dividend of 0.1 cent, brings FY2005 total dividend to 0.85 cent
- Expects another profitable year in FY2006

Singapore – 29 August 2005 – Radiance Electronics Limited (“Radiance” or “建光电子有限公司”), a China-based Electronics Manufacturing Services (“EMS”) provider to customers in the satellite communications, computer peripherals and consumer electronics industries has today announced a scintillating set of results for the financial year ended 30 June 2005 (“FY2005”).

Financial Highlights

(S\$'000)	12 months ended 30/06/2005	12 months ended 30/06/2004	% Change
Revenue	154,454	90,738	70.2
Gross Profit	18,961	15,283	24.1
Profit Before Taxation	9,860	5,530	78.3
PBT Margins	6.4%	6.1%	0.3
Net Profit	7,828	4,485	74.5
EPS (Fully diluted)	3.79 cents	2.35 cents	61.3

FY2005 in Review

Revenue growth was broad-based with the Group achieving total revenue of \$154.5 million in FY2005, topping the \$90.7 million recorded for FY2004. This is largely attributed to strong orders from the Satellite Communications (“SC”) segment and the Computer Peripherals (“CP”) segment. SC segment contributed \$92.4 million and made up 59.8% of total revenue in FY2005, compared to 73.5% in FY2004. CP segment, in particular the Personal Digital Entertainment products contributed \$46.3 million, an increase of 164.8% compared to FY2004 revenue of \$17.5 million. The Other Products segment also recorded an impressive 138.8% growth to \$15.8 million.

Profit before Taxation (“PBT”) soared 78.3% to \$9.9 million on the back of the strong growth in revenue. While margins from the CP segment are lower compared to the SC segment, this was buffered by the economies of scale achieved. As a result, PBT margin increased to 6.4%. Overall, the Group achieved net profit after tax of \$7.8 million compared to \$4.5 million for FY2004.

The Group has provided \$1.38 million provisions to its stock obsolescence and \$269,000 as provisions to doubtful debts. There was also a \$700,000 provision to the impairment in value of investment. This is part of the Group’s conservative accounting and demonstrates the prudence of the management.

The Group generated strong operating cash flow before changes in working capital of \$14.4 million. This enabled the Group to pay off its suppliers more efficiently. Cash and Cash Equivalents stands at a healthy \$18.4 million. The Group’s net cash position stands at \$13.4 million or 5.8 cents net cash per share.

Mr Henry Goh Boon Leng, (吴文龙) Radiance’s Chief Executive Officer said, “Radiance is embarking on a new era of customer transformation through our diversification efforts”.

“During the past six months, we have witnessed many enquiries from potential customers and this has convinced the management to establish a new production facility (“Radiance Technology”) in Shanghai’s Waigaoqiao Free Trade Zone as announced on 1 August 2005” Mr Goh added.

Prospects and Outlook

Due to seasonal demand, the Group is expecting higher orders in 2Q FY2006 compared to the preceding quarter from its customers due to the coming year end Christmas sales.

Mr Goh remarked, “Orders from the CP segment have begun to pick up as we move into 2Q FY2006. Our diversification strategy has been largely successful as we reduced the contribution from the SC segment to 59.8% of FY2005’s revenue down from 88.2% when we were first listed in FY2003. We have continued to secure new customers in the non-satellite segments with both our Shanghai and Shenzhen facilities commencing product qualification for these customers in 2Q FY2006. Going forward, we believe we will continue to enlarge our customers’ base to diversify our earnings’ base.”

The Group has secured a new customer in the SC sector. The customer has started qualification process since July 2005 in Radiance Technology. Demand from this customer is expected to pick up in 2Q FY2006 arising from seasonal demand once the product qualification by their end customer is approved.

The Group is also in advanced stage of negotiation with another new customer in the SC (Radio) segment to build a new range of satellite accessories. Barring unforeseen circumstances, the Group expects the qualification process to start in late 1Q FY2006. Orders from this customer are expected to be significant.

Mr Goh added, “In view of the many product qualifications that we are currently conducting for our new customers as well as the orders from our existing customers, the management is of the opinion that utilization of our contract manufacturing facilities will remain busy in 1H FY2006. 2H FY2006 will see more production

activities as orders for volume production from newly acquired customers kicks in after the qualification processes. Barring unforeseen circumstances, we remain confident that FY2006 will continue to be a profitable year for the Group.”

Rewarding Shareholders with Dividends

In conjunction with its good performance, Radiance is declaring a final dividend of 0.1 cent per share after due consideration for future fund requirements by the new projects. The dividend is tax-exempted. Together with its interim dividend of 0.75 cent per share, the Group will pay out a total of 0.85 cent per share as dividends for FY2005. A 1-for-10 bonus issue was also given during the interim announcement.

>>>>>> The End

About Radiance Electronics Limited

Radiance is a specialist providing electronics manufacturing services (“EMS”) to customers who are OEMs or ODMs of products in the satellite communications and computer peripheral industries. Radiance provides Box Build and PCBA for Satellite Communications products such as Low Noise Block Converters (LNB) and Satellite Signal Distribution Equipment and accessories; and computer peripherals.

Radiance manufacturing facilities are based in Shanghai and Shenzhen, PRC, which improve their competitive pricing. To tap on the lower costs of land and labour and to broaden its customer base, Radiance has set up another new manufacturing plant in Shanghai.

As a quality testament, Radiance’s plant in Shanghai, PRC has been awarded ISO 9001 and QS 9000 certification and enjoys good rapport with the local authority. They have also been awarded a Class A rating under the Customs Management Program by the Shanghai Customs Authority for their excellence in the customs compliance efforts. Radiance Shanghai was also awarded the High Technology Enterprise Award in 2001. As for the plant in Shenzhen, it was awarded the ISO 9001 in March 2004

Issued for and on behalf of Radiance Electronics Limited

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