



RADIANCE GROUP LIMITED

(Incorporated in Singapore)
(Co. Reg. No.: 200202428H)

**ADDITIONAL INFORMATION PERTAINING TO THE HALF-YEAR FINANCIAL STATEMENT
ANNOUNCEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2010**

We refer to the queries raised by the Singapore Exchange Limited in its email dated 24 August 2010 in relation to the half-year financial statement announcement for the half-year ended 30 June 2010 made on 13 August 2010 and we set out our responses as follows:

SGX Query 1:

We note that Group's inventory balance as at 30 June 2010 increased by 39% to S\$9.88m. Please explain the reasons for the increase in inventory balance when the Company's revenue has decreased 48.3% in 1HFY2010 as compared to the previous corresponding period.

Company response:

As disclosed in the Company's Full Year Financial Statement Announcement for the year ended 31 December 2009 made on 1 March 2010 and the Half-Year Financial Statement Announcement for the half-year ended 30 June 2010 made on 13 August 2010, the Group completed the high volume set-top box production in 1H FY2009 and coupled with the drop in the demand in Computer Peripherals segment in FY2009, resulted in a low inventory balance of S\$7.1 million as at 31 December 2009 in respect to the high sales activities in 1H FY2010. In addition, the higher inventory balance of S\$9.9 million as at 30 June 2010 reflects increased inventory necessary for orders on hand for the second half of FY2010.

SGX Query 2:

In Paragraph 4 of the results announcement, the Group disclosed that it has adopted the new or revised Financial Reporting Standards applicable for the period beginning 1 January 2010. Please disclose the effect of the adoption on the Group's financials.

Company response:

The adoption of the new or revised Financial Reporting Standards does not have any financial impact on the Group's financials.

BY ORDER OF THE BOARD

Cosimo Borrelli
Chairman

Date : 24 August 2010