

**RADIANCE GROUP LIMITED**

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

**RECLASSIFICATIONS TO THE UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010**

The Board of Directors of Radiance Group Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the unaudited full year financial statement and related announcement for the financial year ended 31 December 2010 (“FY2010”) released by the Company on 28 February 2011.

Pursuant to Rule 1207(5) of the Listing Manual of the SGX-ST, the Board wishes to highlight certain reclassifications to the unaudited consolidated statement of cash flows of the Group for FY2010 following the issue of the Company’s financial statements dated 31 March 2011.

The reclassifications do not have any impact on the Group’s results for FY2010 and the Group’s financial position as at 31 December 2010.

The reclassifications are described below by reference to the audited and unaudited consolidated statement of cash flows for FY2010:

	Audited FY2010 S\$'000	Unaudited FY2010 S\$'000	Variance S\$'000	Note
Net cash generated from operating activities	2,606	2,606	-	
Net cash used in investing activities	(182)	(182)	-	
Net cash (used in)/generated from financing activities	(4,068)	522	(4,590)	(A)
Net (decrease)/increase in cash and cash equivalents	(1,644)	2,946	(4,590)	(A)
Cash and cash equivalents at the beginning of the year	24,833	24,833	-	
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(2,522)	(2,522)	-	
Cash and cash equivalents at the end of the year	20,667	25,257	(4,590)	(A)

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

	Audited FY2010 S\$'000	Unaudited FY2010 S\$'000	Variance S\$'000	Note
Cash and bank balances	20,109	20,109	-	
Fixed deposits	9,006	9,006	-	
	29,115	29,115	-	
Less: Restricted cash	(8,448)	(3,858)	(4,590)	(A)
Cash and cash equivalents per the consolidated statement of cash flows	20,667	25,257	(4,590)	(A)

Note:

- (A) The adjustment to the unaudited consolidated statement of cash flows results from the reclassification of approximately S\$4,590,000 (approximately RMB23,000,000) to restricted cash as a result of the asset preservation order made against the Company's indirect wholly-owned subsidiary, Radiance Energy Technology Co., Ltd, by the Beijing Chaoyang District People's Court as announced on 8 September 2010.

BY ORDER OF THE BOARD

Anthony Brian Taylor
Executive Chairman

Date : 1 April 2011