Great Group Holdings Limited
Company Registration No. 200804077W
(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

BACKGROUND

Great Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") was placed on the watch-list pursuant to Rule 1311 of the Singapore Exchange Securities Trading Limited (the "**SGX-ST** ") Listing Manual (the "**Listing Manual**") with effect from 4 March 2015.

Pursuant to Rule 1313 (2) of the SGX-ST Listing Manual, the Board of Directors (the "**Board**") of the Company wishes to provide an update on the Group's financial position for the second quarter ended 30 June 2015 (2Q 2015").

UPDATE ON UNAUDITED FINANCIAL POSITION

For 2Q2015, the Group recorded unaudited revenue of RMB 88.89 million, a 2.4% or RMB2.20 million decrease from 2Q2014 of RMB 91.09 million. The decrease was brought about by the reduction in sales volume for the contract manufacturing business.

For 1H2015, the Group recorded unaudited revenue of RMB 166.25 million, a 4.9% or RMB8.52 million decrease from 1H2014 of RMB 174.77 million. The decrease was also brought about by the reduction in sales volume for the contract manufacturing business

The Group's unaudited gross profit decreased by RMB0.12 million or 2.3% from RMB5.26 million in 2Q2014 to RMB5.14 million in 2Q2015.The net increase in gross profit was a result of (i) lower revenue of RMB2.20 million (ii) an increase in cost of labour of RMB1.45 million, which was offset by an improvement in gross margin from lower raw material cost of RMB3.53 million.

The Group's unaudited gross profit increased by RMB1.20 million or 13.5% from RMB8.86 million in 1H2014 to RMB10.06 million in 1H2015. This was mainly due to an improvement in gross margin arising from lower raw materials cost.

The Group's net assets have decreased by RM11.54 million from RMB15.97 million as at 31 December 2014 compared to RMB4.43 million as at 30 June 2015. This decrease was mainly due to a total loss of RM11.52 million incurred in 1H2015.

Total Shareholder's equity as at 30 June 2015 was RMB4.44 million.

For full details of the results and financial position of the Group, please refer to the Company's results announcement for the financial period ended 30 June 2015 released on 12 August 2015.

UPDATE ON FUTURE DIRECTION

With continuing uncertainties and volatility in the business environment that the Group operates in, the Group expects conditions to remain challenging. The Group will continue to contain costs and increase efficiency.

On 14th July 2015, the shareholders at the extraordinary general meeting approved the proposed renounceable non-underwritten rights issue ("**Proposed Rights Issue**"). The Directors are of the opinion that the Proposed Rights Issue is an important step to raise funds to strengthen the Group's financial position.

The Company is aware of the deadline given by SGX-ST for its removal from the Watch-List. The Company will actively look for potential opportunities to improve the financial position of the Group, and will endeavour to meet the requirements of Rule 1314 of the SGX-ST Listing Manual for the removal of the Company from the Watch-List.

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OTHER MATERIAL DEVELOPMENTS

The Company will update shareholders on any other material developments and will make such necessary announcements as and when appropriate.

BY ORDER OF THE BOARD

Weng Wenwei
Chief Executive Officer
12 August 2015