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

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE ANNUAL REPORT 2014

The Board of Directors of Great Group Holdings Limited (the "**Company**" and together with its subsidiaries the "**Group**") would like to respond to the following queries raised by the SGX-ST on 10 June 2015 in relation to the Company's Annual Report 2014, as follows:

SGX-ST's Query

We note the Independent Auditor's Emphasis of Matter that there are conditions that "indicate the existence of a material uncertainty which may cast significant doubt about the Group's and of the Company's ability to continue as going concerns". For the purpose of determining if Rule 1303(3)(c) should apply, please provide the following information:-

(a) the Board's opinion if the Company will be able to operate as going concern and basis for the Board's view; and
(b) the Board's confirmation that all material disclosures have been provided for trading of the Company's shares to continue.

Company's Response

(a) The Directors note that the Group has been in a net current liabilities position since 31 December 2013 and has been dependent on short-term bank borrowings to meet its working capital and operating cash flows requirements.

Notwithstanding the Group's net current liabilities position, the Directors are of the opinion that, taking into consideration the following factors and barring any unforeseen circumstances, the working capital available to the Group is sufficient for present requirements subject to the continuous support of the financial institutions in refinancing the short-term bank borrowings. The Directors are not aware of any adverse circumstances that might cause the financial institutions not to refinance the short-term bank borrowings:

(i) The Group continues to tighten the controls over credit sales, advances to suppliers, inventories management and reduction of various operating expenses. With these measures, the Group expects to be able to continue generating positive cash flows from its operations for the next twelve (12) months. Although the Group has been in a net current liabilities position, it has managed to generate positive cash flow from its operations for each of the last six (6) reporting periods, as follows:-

RMB ('000)	As at 31 December 2013	As at 31 March 2014	As at 30 June 2014	As at 30 September 2014	As at 31 December 2014	As at 31 March 2015
Operating cash flow	29,345	35,187	39,830	33,263	28,896	42,792

(ii) The Group continues to maintain its credit facilities with the relevant financial institutions and has been able to refinance the short-term bank borrowings when they fall due. The Group's management is not aware of any adverse circumstances that might cause the financial institutions not to refinance the short-term bank borrowings.

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") ON THE ANNUAL REPORT 2014

(iii) As at 31 March 2015, the Group has RMB6.7 million available to it under existing credit facilities that has not been utilised.

(b) The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.

BY ORDER OF THE BOARD

Weng Wenwei
Chief Executive Officer
11 June 2015