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

ENTRY INTO OF SALE AND PURCHASE AGREEMENT BY 3W LIFE INVESTMENT PTE. LTD. IN RELATION TO THE PROPOSED ACQUISITION OF 90% OF THE ISSUED SHARE CAPITAL IN BASIC WORLD RESOURCES PTE LTD

The Board of Directors of Great Group Holdings Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, 3W Life Investment Pte. Ltd. ("**3W Life**"), has on 4 April 2014 entered into a sale and purchase agreement ("**Agreement**") with Kuoh Hai Siew (the "**Vendor**") for the purchase of 900 shares ("**Sale Shares**") of Basic World Resources Pte Ltd (the "**Target Company**"), representing 90% of the issued share capital of the Target Company (the "**Proposed Acquisition**").

The Target Company is a company with limited liability, incorporated in Singapore on 20 March 2014. The Target Company has an issued share capital of S$1,000, 100% of which is held by the Vendor. The Target Company and the Remaining Subsidiary (as defined below) are or will be engaged in the business of providing sourcing, procurement and design services to the garment and fashion industry.

Information on the Vendor

The Vendor is a Malaysian citizen, and is the sole shareholder of the Target Company.

Aggregate Consideration of the Proposed Acquisition

The consideration of the Proposed Acquisition ("**Consideration**") is the aggregate amount of S$8.65 million, payable by 3W Life to the Vendor in the following manner:

(a) an initial tranche of 50% of the Consideration is payable to the Vendor on the date of completion of the Proposed Acquisition ("**Completion**"), and shall be paid in cash ("**First Tranche Payment**"); and

(b) the remaining 50% of the Consideration shall be payable to the Vendor no later than the 365th day after Completion, and shall be paid in cash ("**Second Tranche Payment**").

The Consideration was arrived at after arms' length negotiations between 3W Life and the Vendor on a willing seller and willing buyer basis, taking into consideration the net profit after tax, goodwill, business model, clientele, and experience of the management team of the Target Company, the Remaining Subsidiary (defined below) and the Malaysian Subsidiaries (defined below).

Conditions Precedent attached to the Proposed Acquisition

Completion of the Proposed Acquisition is subject to the following conditions precedent ("**Conditions Precedent**") being satisfied:

(a) the Vendor having transferred all legal and beneficial rights, title and interests in the existing assets and businesses (save for titles and interests in land) of all his current companies in Malaysia, including BIGO Trading Sdn Bhd, Profit Debut Sdn Bhd, and Basic World Garment Sdn Bhd (the "**Malaysian Subsidiaries**") to Basic World Resources (M) Sdn Bhd (the "**Remaining Subsidiary**"), and all risks and rewards of and associated with the assets and businesses of the Malaysian Subsidiaries shall be deemed to have passed to and accrue to and for the Remaining Subsidiary as from 1 January 2014;

(b) the Vendor having transferred all legal and beneficial rights, title and interests in the existing assets and businesses (save for title and interests in land) of the Vendor's enterprise in

Singapore, Basic World Trading, to the Target Company, and all risks and rewards of and associated with the assets and businesses of Basic World Trading having passed to and accrue to and for the Target Company as from 1 January 2014;

(c) the Target Company having acquired, pursuant to a separate instrument and as evidenced by relevant registrations, the entire issued and paid-up share capital of the Remaining Subsidiary, on terms acceptable to 3W Life and there being upon completion of such acquisition no outstanding liabilities payable or due from the Target Company to the vendor(s) of the Remaining Subsidiary;

(d) all risks and rewards of and associated with the entire issued and paid-up share capital and net assets of the Remaining Subsidiary shall be deemed to have passed to and accrue to and for the Target Company as from 1 January 2014;

(e) two (2) representatives of 3W Life having been appointed to the board of the Remaining Subsidiary and the Target Company, such appointment taking effect as from the later of 1 January 2014 or the date of incorporation of the Target Company or such other date as 3W Life may determine;

(f) the results of the due diligence review (including but not limited to legal, financial, contractual, tax, valuation or otherwise) conducted in respect of the Target Company and the Remaining Subsidiary, and the businesses and assets that have been or that will be transferred to the Remaining Subsidiary by the Malaysian Subsidiaries, being satisfactory to 3W Life in its sole discretion. For the avoidance of doubt, 3W Life shall not be required to provide any reason or basis for determining that the due diligence of the Target Company and/or the Remaining Subsidiary is unsatisfactory;

(g) the Target Company and the Remaining Subsidiary having no liabilities or obligations (whether actual, contingent, deferred or potential) other than in the ordinary course of trade, save as disclosed in writing to 3W Life prior to execution of the Agreement and such additional liabilities incurred between execution of the Agreement and Completion as are permitted under the Agreement;

(h) there being no governmental or court act, decree or order of any applicable jurisdiction has been issued or enacted which in the view of 3W Life may materially hinder, limit or restrict the Completion, the transfer of the Sale Shares to 3W Life or the performance by 3W Life and/or the Vendor of their obligations under the Agreement;

(i) there has been no material adverse changes in the prospects, operations, assets, business, liabilities or financial or operating conditions of the Target Company and the Remaining Subsidiary occurring on or before the date of Completion ("**Completion Date**") and there has been no event occurring on or before the Completion Date which would be likely to result in such material adverse changes after the Completion Date;

(j) the Company having obtained the approval of the board and the shareholders of the Company as well as of the SGX-ST if required or desirable in the opinion of the Company, and if such approval is granted subject to conditions, such conditions being acceptable to the Company;

(k) there not being at any time prior to Completion any restriction, limitation, prohibition or directive, whether written or verbal, from the SGX-ST limiting or prohibiting the entry into or performance by the Company and/or 3W Life of the obligations under the Agreement; and

(l) all necessary third party, governmental and regulatory consents, approvals and waivers where required for the transactions contemplated hereunder having been obtained, including without limitation, the transfer of the assets and businesses of the Malaysian Subsidiaries into Remaining Subsidiary and the acquisition by the Target Company of the Remaining Subsidiary not being contested or disputed by the authorities of Malaysia, and such consents, approvals and waivers not having been amended or revoked before Completion Date.

The Company notes that while the Conditions Precedent (a), (b) and (d) above have provided that the risks and rewards associated with certain assets and businesses pass on 1 January 2014, the effective date that risks and rewards pass will be subject to the Singapore Financial Reporting Standards.

The conditions set out above are inserted for the benefit of 3W Life and 3W Life may at any time waive in whole or in part and conditionally or unconditionally the conditions by notice in writing to the Vendor.

Completion

Completion of the Proposed Acquisition shall take place on such date as notified by 3W Life to the Vendor, such date being a date set by 3W Life within five (5) days of the satisfaction of the Conditions Precedent ("**Completion**").

3W Life and the Vendor agreed that as from the date of the Agreement, all risks and rewards of and associated with the Sale Shares and net assets of the Target Company shall be deemed to have passed to and accrue to and for 3W Life as from 1 January 2014. However, if the Target Company is in a net liability position as at the date of the Agreement, or if Completion does not take place, the risks and rewards of and associated with the Sale Shares and the net assets of the Target Company shall not be passed to and accrue to and for 3W Life. Accordingly, 3W Life is also entitled to appoint at least two (2) directors to the board of directors of the Target Company upon the execution of the Agreement, and prior to the appointment taking effect, all decisions and resolutions to be approved by the board of directors of the Target Company and all other activities that will significantly affect the audited net profit after tax ("**ANPAT**") of the Target Company shall not be passed or undertaken without the prior written approval of 3W Life.

Source of funds

The First Tranche Payment will be funded through existing cash of the Company and the Second Tranche Payment will be funded through cash raised from internal resources and fund raising including but not limited to bank borrowings.

Rationale of the Proposed Acquisition

As with the acquisition of Sinex Solutions Limited which was announced on 31 December 2013, the Proposed Acquisition is in line with the Group's overall strategy to focus on and grow its fashion business segment. In response to the weak financial performance of the Group contract

manufacturing business for the last 2 financial years, the Company has announced that it is exploring various options with respect to its contract manufacturing business, including restructuring and/or sale of the contract manufacturing business.

Financial effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Acquisition.

The financial effects of the Proposed Acquisition do not take into account the 10,000,000 new shares in the capital of the Company to be issued pursuant to the acquisition of Sinex Solutions Limited by the Company as these shares have not been issued as at 31 December 2013.

The financial effects have been prepared on a proforma basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("**FY2013**").

The financial effects have also assumed that the restructuring ("**Restructuring**") as set out in paragraphs (a), (b) and (d) of the conditions precedent have been completed as at 31 December 2013. On such basis, as at 31 December 2013, the unaudited proforma net tangible asset value of the Target Company was RM572,000 (approximately RMB 1,078,000). Accordingly, the unaudited proforma net tangible asset value of the Sale Shares (which comprise 90% of the Target Company) was RM514,800 (approximately RMB 970,200). No valuation was carried out of the Target Company or of the assets and business to be acquired pursuant to the Restructuring.

Assuming that the Proposed Acquisition and Restructuring had been completed on 31 December 2013 and based on the Group's latest audited consolidated financial statements for FY2013, the effects on the NTA per share of the Group are as follows:

As at 31 December 2013	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
NTA (RMB'000)	41,940	42,910
Number of issued shares	265,000,000	265,000,000
NTA per share (RMB cents)	15.83	16.19

The proforma net profits attributable to the Target Company for FY2013 was RM3.55 million (approximately RMB6.69 million). Accordingly, the proforma net profits attributable to the Sale Shares (which comprise 90% of the Target Company) for FY2013 was RM3.19 million (approximately RMB6.02 million).

Assuming that the Proposed Acquisition has taken place on 1 January 2013 and based on the Group's latest audited consolidated financial statements for FY2013, the Proposed Acquisition would have the following effects on the Group's earning/(loss) per share as presented in the following table:

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As at 31 December 2013	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated net loss attributable to shareholders (RMB '000)	(240,917)	(234,898)
Weighted average number of shares	265,000,000	265,000,000
Earning/(loss) per share (RMB cents)	(90.91)	(88.64)

Assuming that the Proposed Acquisition has taken place on 31 December 2013 and based on the Group's latest audited consolidated financial statements for FY2013, the Proposed Acquisition would have the following effects on the Group's gearing as presented in the following table:

As at 31 December 2013	Before the Proposed Acquisition	After the Proposed Acquisition
Gearing RMB '000	266,979	266,979

The Proposed Acquisition would not have any effect on the issued share capital of the Company.

None of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Agreement or the Proposed Acquisition, other than through their respective shareholdings in the Company.

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Acquisition.

Relative Figures under Rule 1006

Based on the audited consolidated financial statements of the Group for the year ended 31 December 2013, the relative figures in respect of the Proposed Acquisition, as computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

	Relative Figures (%)
Rule 1006 (a) The net asset value of the assets to be disposed of, compared with the group's net asset value as at 31 December 2013.	N.A.
Rule 1006 (b) The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits as at 31 December 2013.	N.A. (1)
Rule 1006 (c) Aggregate value of consideration given or received, compared with the market capitalisation of the Company as at 3 April 2014, being the last full market day immediately preceding the execution of the Agreement.	79.6% (2)

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Rule 1006 (d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.

Notes:

(1) Not applicable as the Sale Shares (representing 90% of the Target Company) has a proforma net profit of RM3.19 million (approximately RMB 6.02 million) for the 12 months ended 31 December 2013, while the Group has recorded a net loss of RMB 240.9 million for the 12 months ended 31 December 2013.

(2) This is computed based on the aggregate value of the consideration amounting to S$8.65 million divided by the Company's market capitalisation as at 4 April 2014, being the date immediately preceding the date of the Agreement amounting to S$10.87 million.

Extraordinary General Meeting

As the relative figures computed based on the bases set out in Rule 1006(c) of the Listing Manual exceeds 20%, the Proposed Acquisition is considered a "major transaction" under Rule 1014 of the Listing Manual, and pursuant to Rule 1014 of the Listing Manual, the Proposed Acquisition shall be conditional upon approval by shareholders of the Company at an extraordinary general meeting.

A circular in relation to the Proposed Acquisition, together with a notice convening the extraordinary general meeting will be despatched to the Company's shareholders in due course.

A copy of the Agreement will be available for inspection during normal business hours at the Company's registered office at 75 High Street, APBCOffices Building, Singapore 179435 for three (3) months from the date hereof.

BY ORDER OF THE BOARD

Weng Wenwei
Chief Executive Officer
4 April 2014