GREAT GROUP HOLDINGS LIMITED

UNAUDITED RESULT For the Year Ended 31 December 2014

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

1(a)(i) A consolidated income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY2014 RMB'000**	FY2013 RMB'000	%Change +/(-)
Continuing operations						
Revenue	**88,993**	103,132	-13.7%	**356,634**	406,535	-12.3%
Cost of sales	**(81,861)**	(116,388)	-29.7%	**(334,982)**	(434,746)	-22.9%
Gross profit/(loss)	**7,132**	(13,256)	n.m.	**21,652**	(28,211)	n.m.
Other gains/(losses), net	**3,345**	(15,455)	n.m.	**6,040**	(18,501)	n.m.
Expenses						
-Selling and distribution	**(3,926)**	(5,028)	-21.9%	**(10,726)**	(12,592)	-14.8%
-Administrative	**(9,586)**	(81,625)	-88.3%	**(26,624)**	(164,070)	-83.8%
-Finance	**(2,325)**	(2,580)	-9.9%	**(10,092)**	(9,917)	1.8%
Loss before income tax	**(5,360)**	(117,944)	-95.5%	**(19,750)**	(233,291)	-91.5%
Income tax expenses	**(2,515)**	(2,168)	16.0%	**(5,454)**	(8,219)	-33.6%
Loss from continuing operations	**(7,875)**	(120,112)	-93.4%	**(25,204)**	(241,510)	-89.6%
Discontinued operation						
Gain from discontinued operation, net of tax	**-**	595	n.m.	**1,425**	595	139.5%~~n.m.~~
Total loss	**(7,875)**	(119,517)	-93.4%	**(23,779)**	(240,915)	-90.1%
Other comprehensive income, net of tax:						
Item that may be reclassified subsequently to profit or loss						
- Currency translation gains arising from consolidation	**164**	81	102.5%	**21**	172	-87.8%
Total comprehensive loss	**(7,711)**	(119,436)	-93.5%	**(23,758)**	(240,743)	-90.1%
Total loss attributable to						
- Equity holders of the Company	**(7,711)**	(119,808)	-93.6%	**(24,477)**	(241,206)	-89.9%
- Non-controlling interests	**-**	291	n.m.	**698**	291	139.9%
	(7,711)	(119,517)	-93.5%	**(23,779)**	(240,915)	-90.1%
Total comprehensive loss attributable to						
- Equity holders of the Company	**(7,711)**	(119,727)	-93.6%	**(24,456)**	(241,034)	-89.9%
- Non-controlling interests	**-**	291	n.m.	**698**	291	139.9%
	(7,711)	(119,436)	-93.5%	**(23,758)**	(240,743)	-90.1%

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	Group			Group		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY2014 RMB'000**	FY2013 RMB'000	%Change +/(-)
(Expense)/Income						
Depreciation of property, plant and equipment	**(1,608)**	(1,885)	-14.7%	**(6,074)**	(6,202)	-2.1%
Amortisation of intangible assets	**(129)**	(126)	2.4%	**(517)**	(517)	0.0%
Interest income	**792**	131	504.6%	**2,587**	489	429.0%
Interest expense	**(2,321)**	(2,580)	-10.0%	**(10,089)**	(9,917)	1.7%
Foreign exchange gains/(losses), net	**1,476**	(914)	n.m.	**140**	(5,389)	n.m.
Government grants	**3**	16	-81.3%	**3,308**	934	254.2%
Fair value gains/(losses) on derivative financial instruments	**1,093**	107	921.5%	**1,476**	(185)	n.m.
Allowance for impairment of property, plant and equipment	**-**	(9,988)	n.m.	**-**	(9,988)	n.m.
Reversal of allowance for impairment of property, plant and equipment	**-**	1,572	n.m.	**-**	1,572	n.m.
Loss on disposal of property, plant and equipment	**(101)**	(40)	152.5%	**(256)**	(123)	108.1%
Write-off of property, plant and equipment	**-**	(108)	n.m.	**-**	(108)	n.m.
Provision for restructuring and retrenchment	**-**	(6,376)	n.m.	**-**	(6,376)	n.m.
Allowance for impairment of trade receivables	**(888)**	(73,913)	-98.8%	**(888)**	(134,059)	-99.3%
Allowance for impairment of advances to suppliers	**(1,445)**	(3,643)	-60.3%	**(1,445)**	(18,888)	-92.3%
Write-down of inventories	**(1,781)**	(180)	889.4%	**(1,781)**	(180)	889.4%

"n.m." denotes "not meaningful"

1(b)(i) A balance sheet (for the issuer and the Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31 Dec 2014 RMB'000	As at 31 Dec 2013 RMB'000	**As at 31 Dec 2014 RMB'000**	As at 31 Dec 2013 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	**113,569**	118,584	**1,047**	48
Trade and other receivables	**161,632**	159,420	**1,401**	8,919
Inventories	**51,430**	58,695	**-**	-
Other current assets	**404**	1,998	**390**	129
Derivative financial assets	**2,293**	817	**-**	-
	329,328	339,514	**2,838**	9,096
Non-current assets				
Investments in subsidiaries	**-**	-	**47,827**	47,827
Property, plant and equipment	**47,915**	49,670	**7**	38
Intangible assets	**15,990**	28,941	**-**	-
Deposit for machinery and equipment	**1,463**	1,575	**-**	-
	65,368	80,186	**47,834**	47,865
Total assets	**394,696**	419,700	**50,672**	56,961
LIABILITIES				
Current liabilities				
Trade and other payables	**72,838**	102,244	**18,869**	14,533
Borrowings	**306,387**	266,979	**-**	-
Current income tax liabilities	**2,517**	2,161	**-**	-
Provision for restructuring	**-**	6,376	**-**	512
Total liabilities	**381,742**	377,760	**18,869**	15,045
NET ASSETS	**12,954**	41,940	**31,803**	41,916
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**104,766**	104,766	**104,766**	104,766
Restructuring reserve	**114,040**	114,040	**114,040**	114,040
Currency translation reserve	**178**	157	**-**	-
Warrant reserve	**727**	727	**727**	727
Performance shares	**-**	886	**-**	886
Shares to be issued	**-**	3,349	**-**	3,349
Accumulated losses	**(206,757)**	(182,280)	**(187,730)**	(181,852)
Total equity	**12,954**	41,645	**31,803**	41,916
Non-controlling interests	**-**	295	**-**	-
Total equity	**12,954**	41,940	**31,803**	41,916

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

Amount repayable within one year

	As at 31 Dec 2014		As at 31 Dec 2013	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Bank borrowings	**90,380**	-	85,600	-
Bills payables	**85,840**	-	57,285	-
Trade financing	**130,167**	-	124,094	-
	306,387	-	266,979	-

Details of any collateral

- Bank borrowings of the Group are secured over leasehold buildings and workshops and land-use right of the Group and joint and several guarantees from a shareholder and its related parties.
- Bills payables of the Group are secured by certain short-term bank deposits of the Group and corporate guarantee from certain subsidiaries.
- Trade receivables factoring of the Group are secured by certain trade receivables and joint and several guarantees from a shareholder and its related parties.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately prec eding financial year

	Group		Group	
	4Q14	4Q13	**FY2014**	FY2013
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash flows from operating activities				
Total loss	**(7,875)**	(119,517)	**(23,779)**	(240,915)
Adjustments for:				
-Income tax expense	**2,515**	2,168	**5,454**	8,219
-Amortisation and depreciation	**1,737**	2,010	**6,591**	6,719
-Loss on disposal of property, plant and equipment	**101**	43	**256**	123
-Write-off property, plant and equipment	**1,781**	108	**1,781**	108
-Allowance for impairment of property, plant and equipment	**-**	9,988	**-**	9,988
-Reversal of allowance for impairment of property, plant and equipment	**-**	(1,572)	**-**	(1,572)
- Loss on deconsolidation of a subsidiary	**-**	-	**1,030**	-
-Interest expense	**2,325**	2,580	**10,092**	9,917
-Interest income	**(792)**	(131)	**(2,587)**	(489)
-Fair value losses/(gains) on derivative financial instruments	**(1,093)**	(107)	**(1,476)**	185
-Performance share expenses	**(244)**	886	**(886)**	886
-Unrealised currency translation (gains)/losses	**(94)**	529	**184**	1,536
Operating losses before changes in working capital	**(1,639)**	(103,015)	**(3,340)**	(205,295)
Changes in working capital:				
-Trade and other receivables *	**68,185**	232,842	**163,543**	318,973
-Inventories	**(14,596)**	(10,044)	**5,483**	(18,381)
-Other current assets	**2,043**	842	**1,593**	(158)
-Trade and other payables	**(24,579)**	30,210	**(22,017)**	51,372
- Provision for restructuring	**(559)**	6,376	**(6,501)**	6,376
Cash generated from operations	**28,855**	157,211	**138,761**	152,887
Interest received	**792**	131	**2,587**	489
Income tax paid	**(751)**	(448)	**(5,097)**	(7,058)
Net cash provided by/(used in) operating activities	**28,896**	156,894	**136,251**	146,318
Cash flows from investing activites				
Net cash outflow on deconsolidation of a subsidiary (Note A)	**-**	-	**(198)**	-
Additions to property, plant and equipment	**(3,308)**	(2,744)	**(4,884)**	(4,610)
Deposit for machinery and equipment	**-**	(215)	**111**	(414)
Proceeds from disposal of property, plant & machinery	**-**	1,945	**309**	1,945
Acquisition of a subsidiary, net of cash acquired	**-**	772	**-**	772
Net cash used in investing activities	**(3,308)**	(242)	**(4,662)**	(2,307)
Cash flows from financing activities				
Proceeds from borrowings	**103,660**	104,445	**485,122**	450,876
Repayment of borrowings *	**(148,189)**	(255,740)	**(611,468)**	(547,068)
Interest paid	**(2,325)**	(2,580)	**(10,092)**	(9,917)
Decrease/(increase) in short-term bank deposits pledged	**(5,473)**	236	**(28,893)**	(37,463)
Proceeds from issuance of warrants	**-**	-	**-**	727
Net cash (used in)/provided by financing activities	**(52,327)**	(153,639)	**(165,331)**	(142,845)

Net decrease in cash and cash equivalents	**(26,739)**	3,013	**(33,742)**	1,166
Cash and cash equivalents at beginning of financial period	**46,669**	51,545	**54,098**	54,289
Effects on currency translation on cash and cash equivalents	**260**	(460)	**(166)**	(1,357)
Cash and cash equivalents at end of financial period	**20,190**	54,098	**20,190**	54,098

* Certain comparatives have been reclassified to be consistent with current period's presentation

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial period (continued)

Note:

For the purpose of consolidated cash flow statement, cash and cash equivalents comprise the following :-

	Group		Group	
	4Q14	4Q13	**FY2014**	FY2013
	RMB'000	RMB'000	**RMB'000**	RMB'000
Cash and bank balances	**113,569**	118,583	**113,569**	118,583
Less: Short-term bank deposits pledged	**(93,379)**	(64,486)	**(93,379)**	(64,486)
	20,190	54,097	**20,190**	54,097

Note A: Net cash outflow on deconsolidation of a subsidiary

	RMB'000
Net assets derecognised	2,034
Less: Non-controlling interests	(993)
Net assets deconsolidated	1,041
Less: Reclassification of currency translation reserve	(11)
	1,030
Less: Loss on deconsolidation	(1,030)
Cash proceeds from deconsolidation	-
Less: Cash and cash equivalents in subsidiary deconsolidated	(198)
Net cash outflow on deconsolidation of a subsidiary	(198)

1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

(RMB'000)	Attributable to equity holders of the Company								Non-controlling interest	Total Equity
	Share Capital	Shares to be issued	Restructuring Reserve	Performance Share	Warrant Reserve	Currency Translation Reserve	Retained Profits/ (Accumulated Losses)	Total		
Group										
At 1 January 2014	104,766	3,349	114,040	886	727	157	(182,280)	41,645	295	41,940
Total comprehensive (loss)/income for the financial period	-	-	-	-	-	21	(24,477)	(24,456)	698	(23,758)
Performance share expense	-	-	-	(886)	-	-	-	(886)	-	(886)
Deconsolidation of a subsidiary	-	(3,349)	-	-	-	-	-	(3,349)	(993)	(4,342)
At 31 December 2014	104,766	-	114,040	-	727	178	(206,757)	12,954	-	12,954
At 1 January 2013	104,766	-	114,040	-	-	(15)	58,926	277,717	-	277,717
Acquisition of a subsidairy	-	-	-	-	-	-	-	-	4	4
Total comprehensive income/(loss) for the financial period	-	3,349	-	886	727	172	(241,206)	(236,072)	291	(235,781)
At 31 December 2013	104,766	3,349	114,040	886	727	157	(182,280)	41,645	295	41,940
Company										
At 1 January 2014	104,766	3,349	114,040	886	727	-	(181,852)	41,916	-	41,916
Total comprehensive loss for the financial period	-	-	-	-	-	-	(5,878)	(5,878)	-	(5,878)
Performance share expense	-	-	-	(886)	-	-	-	(886)	-	(886)
Deconsolidation of a subsidiary	-	(3,349)	-	-	-	-	-	(3,349)	-	(3,349)
At 31 December 2014	104,766	-	114,040	-	727	-	(187,730)	31,804	-	31,804
At 1 January 2013	104,766	-	114,040	-	-	-	(6,095)	212,711	-	212,711
Total comprehensive loss for the financial period	-	3,349	-	886	727	-	(175,757)	(170,795)		(170,795)
At 31 December 2013	104,766	3,349	114,040	886	727	-	(181,852)	41,916	-	41,916

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Warrants

The Company had on 20 May 2013 announced its entry into a Subscription Agreement with SAPO Investment Pte Ltd (Subscriber). Pursuant to the Subscription Agreement, the Company will issue 30,000,000 unlisted and non-transferable warrants ("Warrants") to the Subscriber for a subscription price of S$150,000.

The Warrants were issued at an issue price of S$ 0.005 each with each Warrant carrying the right to subscribe for one new share of the Company upon exercise of the Warrants by the Subscriber at the exercise price of S$ 0.075 for each new share. As at 31 December 2014, no warrant was exercised and converted into ordinary share of the Company. The Warrants will expire on 18 July 2016.

	Group and Company	
	As at 31 December 2014	As at 31 December 2013
	(No. of warrants outstanding)	
Beginning of financial period/year	**30,000,000**	**-**
Issuance of warrants	**-**	30,000,000
End of financial period/year	**30,000,000**	30,000,000

Great Group Performance Share Scheme Adopted on 18 June 2009

Pursuant to the above scheme, the Company had on 5th June 2013 granted 8,700,000 shares awards to Non-Executives Directors (including Independent Directors) and selected employees. This is subjected to meeting certain performance targets set.

All the Shares Awards granted has lapsed as at 31 December 2014 due to:

- 2,000,000 Shares Awards has been granted to Mr. Lim Yeow Hua @ Lim You Qin, an ex-Director of the Company. Upon his retirement from the Board, Mr. Lim is no longer entitled to 2,000,000 Shares Awards.
- Another 4,300,000 Shares Awards was previously granted to three employees who have since left the Company, hence they are no longer entitled to the 4,300,000 Shares Awards.
- 2,000,000 Shares Awards has been granted to Ms. Lee Kim Lian, Juliana, an Independent Director of the Company and another 400,000 Shares Awards to a Company employee. On 26 December 2014, they have waived their rights to such Shares Awards, and accordingly, none of the the 2,400,000 Shares Awards will be vested.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	Group and Company	
	As at 31 December 2014	As at 31 December 2013
Number of issued shares excluding treasury shares	**265,000,000**	265,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which standard and practice.

The figures in this announcement have not been audited or reviewed by the Group's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed in paragraph 5 below, the Group had consistently applied the same accounting policies and methods of computation in the Group's financial statement for the fourth quarter as those applied for the most recently audited consolidated financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current financial period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on or after 1 January 2014. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

- FRS 27 Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 32 Financial Instruments: Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets (effective for annual period beginning on or after 1 January 2014)
- Amendments to FRS 39 – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014)
- FRS 110 Consolidated Financial Statements (effective for annual periods beginning on or after 1 July 2014)
- FRS 111 Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory Effective Date (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 111, FRS 112: Transition Guidance (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities (effective for annual period beginning on or after 1 January 2014)

The adoption of the above did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Fourth Quarter ended 31 Dec		Full Year ended 31 Dec	
	2014	2013	**2014**	2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
(Losses)/Earnings per Share (Basic)				
- Continuing operations	**(2.97)**	(45.33)	**(9.51)**	(91.14)
- Discontinued operations	**-**	0.22	**0.54**	0.22
Number of shares				
Weighted average number of issued ordinary shares	**265,000,000**	265,000,000	**265,000,000**	265,000,000

	Group		Group	
	Fourth Quarter ended 31 Dec		Full Year ended 31 Dec	
	2014	2013	**2014**	2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Losses per Share (Diluted)				
- Continuing operations	**(2.97)***	(45.33)	**(9.51)***	(91.14)
- Discontinued operations	**-**	0.22	**0.54**	0.22
Number of shares				
Weighted average number of issued ordinary shares	**297,400,000**	265,000,000	**297,400,000**	265,000,000

Basic loss per share is computed by dividing the loss attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding at the end of the respective financial period.

* As the Company incurred net loss for the fourth quarter and full year ended 31 December 2014, the dilutive potential shares from outstanding warrants, shares to be issued and performance shares are anti-dilutive and no change is made to the diluted losses per share.

There was no dilutive instruments in issue for the fourth quarter ended 31 December 2013.

7. Net assets value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	As at 31 Dec 2014	As at 31 December 2013	**As at 31 Dec 2014**	As at 31 December 2013
	RMB Cents	RMB Cents	**RMB Cents**	RMB Cents
Net assets value per ordinary share	**4.89**	15.83	**12.00**	15.82
Number of issued ordinary shares as at end of the financial period/year	**265,000,000**	265,000,000	**265,000,000**	265,000,000

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must include a discussion of the following:-

a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period/year reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period/year reported on.

Commentary on Financial Results

Continuing operations

	Continuing operations			Continuing operations		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY2014 RMB'000**	FY2013 RMB'000	%Change +/(-)
Revenue	**88,993**	103,132	-13.7%	**356,634**	406,535	-12.3%
Cost of sales	**(81,861)**	(116,388)	-29.7%	**(334,982)**	(434,746)	-22.9%
Gross profit/(loss)	**7,132**	(13,256)	n.m.	**21,652**	(28,211)	n.m.
Other (losses)/gains, net	**3,345**	(15,455)	n.m.	**6,040**	(18,501)	n.m.
Expenses						
-Selling and distribution	**(3,926)**	(5,028)	-21.9%	**(10,726)**	(12,592)	-14.8%
-Administrative	**(9,586)**	(81,625)	-88.3%	**(26,624)**	(164,070)	-83.8%
-Finance	**(2,325)**	(2,580)	-9.9%	**(10,092)**	(9,917)	1.8%
Loss before income tax	**(5,360)**	(117,944)	-95.5%	**(19,750)**	(233,291)	-91.5%
Income tax expenses	**(2,515)**	(2,168)	16.0%	**(5,454)**	(8,219)	-33.6%
Net loss	**(7,875)**	(120,112)	-93.4%	**(25,204)**	(241,510)	-89.6%

Revenue

The breakdown of the revenue by business segments is as set out below:

In RMB ' 000	Revenue			Sales Volume			Average Selling Price		
	4Q14	4Q13	% Change +/(-)	**4Q14**	4Q13	% Change +/(-)	**4Q14**	4Q13	% Change +/(-)
				PC'000	PC' 000		**RMB/PC**	RMB/PC	
Contract manufacturing*	**88,993**	103,132	-13.7%	**13,441**	15,730	-14.6%	**6.62**	6.56	0.9%
~~Brands Solutions~~	~~-~~	~~9,420~~	~~n.m.~~	~~-~~	~~-~~	~~n.m.~~	~~-~~	~~-~~	~~n.m.~~
Total	**88,993**	~~112,552~~ 103,132	~~-~~ ~~20.9~~13.7 ~~%~~%	**13,441**	15,730	-14.6%			

In RMB ' 000	Revenue			Sales Volume			Average Selling Price		
	FY14	FY13	% Change +/(-)	**FY14**	FY13	% Change +/(-)	**FY14**	FY13	% Change +/(-)
				PC'000	PC' 000		**RMB/PC**	RMB/PC	
Contract manufacturing*	**356,634**	406,535	-12.3%	**50,756**	57,629	-11.9%	**7.03**	7.05	-0.3%
~~Brands Solutions~~	~~-~~	~~9,420~~	~~n.m.~~	~~-~~	~~-~~	~~n.m.~~	~~-~~	~~-~~	~~n.m.~~
Total	**356,634**	~~415~~406, 535~~,955~~	~~-~~ 12.3%~~14. 3%~~	**50,756**	57,629	-11.9%			

* The contract manufacturing business segment includes the results of GRAT.UNIC.

The Group's revenue for the fourth quarter ended 31 December 2014 ("4Q14") decreased by RMB14.1~~23.6~~ million or 13.7~~20.9~~% to RMB89.0 million as compared to RMB~~112.6~~103.1 million for the fourth quarter ended 31 December 2013 ("4Q13"). This was mainly due to the reduction in sales volume of the contract manufacturing business segment.

Revenue for the financial year ended 31 December 2014 ("FY14") decreased by RMB~~59.3~~49.9 million to RMB356.6 million from RMB 406.5~~416.0~~ million for the financial year ended 31 December 2013 ("FY13"). This was mainly due to reduction in sales volume of the contract manufacturing business segment.

Revenue analysed by geographical areas is as follows:

	Revenue			Revenue		
	4Q14 RMB'000	4Q13 RMB'000	**%Change** +/(-)	**FY14 RMB'000**	FY13 RMB'00	**%Change** +/(-)
Asia	**23,216**	30,482	-23.8%	**87,079**	99,891	-12.8%
Europe	**45,206**	~~71,778~~62,358	~~-~~ 27.5~~37.0%~~%	**209,265**	~~242,582~~233,162	~~-~~ 10.2~~13.7%~~%
America	**18,894**	10,037	88.2%	**47,900**	70,845	-32.4%
Other	**1,677**	255	557.6%	**12,390**	2,637	369.9%
Total	**88,993**	~~112,552~~103,132	~~-~~ 13.7~~20.9%~~%	**356,634**	406,535~~415,955~~	~~-~~ 12.3~~14.3%~~%

Gross profit/(loss)

The gross profit/(loss) by business segments is as follows:

	Gross Profit			Gross Profit		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY14 RMB'000**	FY13 RMB'000	%Change +/(-)
Contract manufacturing business*	**7,132**	(13,256)	n.m.	21,652	(28,211)	n.m.
~~Brands solutions business~~	~~-~~	~~794~~	~~n.m.~~	~~-~~	~~794~~	~~n.m.~~
Total	**7,132**	~~(12,462)~~(13,256)	n.m.	21,652	~~(27,417)~~(28,211)	n.m.
Gross Profit/(Loss) Margin	**8.0%**	~~(11.1%)~~(12.9%)	n.m.	6.1%	~~(6.6%)~~(6.9%)	n.m.

* The contract manufacturing business segment includes the results of GRAT.UNIC.

Gross profit increased by RMB20.4~~19.6~~ million from a gross loss of RMB13.3~~12.5~~ million in 4Q13 to a gross profit of RMB7.1 million in 4Q14. On a full year basis, the gross profit also increased by RMB49.9~~49.1~~ million from a gross loss of RMB28.2~~27.4~~ million in FY13 to a gross profit of RMB21.7 million in FY2014. The increase in gross profit is mainly due to an improvement in gross margin arising mainly from lower raw materials cost, and also due to allowance for impairment of advances to suppliers (included in cost of sales) of RMB3.6 milion and RMB18.9 million provided for the contract manufacturing business segment in 4Q13 and FY13 respectively.

Other (losses)/gains, net

The Group recorded other gains (net) of RMB3.3 million in 4Q14 and other gains (net) of RMB6.0 million in FY14 respectively. This is mainly due to higher interest income and government grant received, which is offset by a one time one-off loss on deconsolidation of a subsidiary.

	Other gains/(losses), net			Other gains/(losses), net		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY14 RMB'000**	FY13 RMB'000	%Change +/(-)
Interest income	**792**	131	504.6%	**2,587**	489	429.0%
Government grants	**3**	16	-81.3%	**3,308**	934	254.2%
Fair value gains/(losses) on derivative financial instruments	**1,093**	107	921.5%	**1,476**	(185)	-897.8%
Foreign exchange losses,net	**1,476**	(914)	n.m.	**140**	(5,389)	n.m.
Allowance for impairment of property, plant and equipment	**-**	(9,988)	n.m.	**-**	(9,988)	n.m.
Reversal of allowance for impairment of property, plant and equipment	**-**	1,572	n.m.	**-**	1,572	n.m.
Loss on disposal of property, plant and equipment	**(101)**	(40)	152.5%	**(256)**	(123)	108.1%
Write-off property, plant and equpment	**-**	(108)	n.m.	**-**	(108)	n.m.
Provision for restructuring and retrenchement	**-**	(6,376)	n.m.	**-**	(6,376)	n.m.
Loss on deconsolidation of a subsidiary		-		**(1,030)**	-	n.m.
Other	**82**	145	-43.4%	**(185)**	673	n.m.
Total	**3,345**	(15,455)	n.m.	**6,040**	(18,501)	n.m.

Selling and distribution expenses

Selling and distribution expenses decreased by RMB1.1~~1.2~~ million from RMB5.0~~5.1~~ million in 4Q13 to RMB3.9 million in 4Q14. On a full year basis, selling and distribution expenses is lower by RMB1.9~~2.0~~ million from RMB12.6~~12.7~~ million in FY13 to RMB10.7 million in FY14. The decrease is mainly due to the decrease in promotion and exhibition expenses for the contract manufacturing business segment which is in line with the reduction in customers' orders.

Administrative expenses

Administrative expenses decreased by RMB72.0~~71.1~~ million from RMB81.6~~81.7~~ million in 4Q13 to RMB9.6~~10.6~~ million in 4Q14, while on a full year basis, decreased by RMB137.4~~136.6~~ million to RMB26.6~~27.6~~ million in FY14 from RMB164.1~~164.2~~ million in FY13. The decrease in administrative expenses is mainly due to allowance for impairment of trade receivables of RMB73.9million and RMB134.1 million provided for the contract manufacturing business segment in 4Q13 and FY13 respectively.

Finance expenses

Finance expenses in 4Q14 of RMB2.3 million were RMB0.3 million, marginally lower than that in 4Q13 of RMB2.6 million. On a full year basis, the Group's finance expenses of RMB10.1 million were marginally higher than FY13 of RMB9.9 million by RMB0.2 million. This was mainly due to higher balance of net borrowings (after deducting pledged deposits) of RMB213.0 million as at 31 December 2014 as compared to RMB202.5 million as at 31 December 2013.

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Income tax expense

Income tax expenses increased by RMB0.3 million from RMB2.2 million in 4Q13 to RMB2.5 million in 4Q14. However, on a full year basis, income tax expenses decreased by RMB2.8 million from RMB 8.2 million in FY13 to RMB5.5 million in FY14. The reduction in income tax expense is due to a lower chargeable income derived by the Group's major subsidiaries, which is offset by the under-provision of FY 2012 income tax.

Discontinued operation

On 23 October 2014, the Company entered into a termination agreement with Christensen, Jens Frulund to terminate the acquisition of Sinex Solutions Limited under Brands Solutions Business Segment. Prior thereto, there was loss of control culminating in the resignation of the Group's representative on the board of Sinex in September 2014. Accordingly, the Company has deconsolidated the results of Sinex and this segment of comparative figures has been classified as discontinued operation. The consolidated comparative statement of comprehensive loss for 4Q14 and FY14 have been reorganised to distinguish the discontinued operations from the continued operations for the Group. As a result of the deconsolidation, the Group has recognised loss on deconsolidation of RMB1.0 million under "other (losses)/gains, net".

Gain from discontinued operation, net of tax

	Discontinued operation			Discontinued operation		
	4Q14 RMB'000	4Q13 RMB'000	%Change +/(-)	**FY14 RMB'000**	FY13 RMB'000	%Change +/(-)
Revenue	**-**	9,420	n.m.	**21,617**	9,420	129.5%
Cost of sales	**-**	(8,626)	n.m.	**(19,638)**	(8,626)	127.7%
Gross profit	**-**	794	n.m.	**1,979**	794	149.2%
Other gains/(losses), net	**-**	-	n.m.	**-**	-	n.m.
Expenses						
-Selling and distribution	**-**	(95)	n.m.	**(288)**	(95)	203.2%
-Administrative	**-**	(104)	n.m.	**(266)**	(104)	155.8%
-Finance	**-**	-	n.m.	**-**	-	n.m.
Profit before income tax	**-**	595	n.m.	**1,425**	595	139.5%
Income tax expenses	**-**	-	n.m.	**-**	-	n.m.
Net profit	**-**	595	n.m.	**1,425**	595	139.5%

Commentary on Financial Position

Current assets

Cash and cash equivalents decreased marginally by RMB5.0 million from RMB118.6 million as at 31 December 2013 to RMB113.6 million as at 31 December 2014.

Trade and other receivables increased by RMB2.2 million, or 1.4%, to RMB161.6 million as at 31 December 2014 from RMB159.4 million as at 31 December 2013. The increase in trade and other receivables was mainly due to slow payment from one customer 厦门嘉昌工贸有限公司, which we will continue to monitor closely. Increase in advances to a few new suppliers for obtaining new raw materials at a lower cost also contributed to this increase.

	31 Dec 2014	31 Dec 2013	% Change
	RMB'000	RMB'000	+/ (-)
Trade receivables	**186,249**	180,988	2.9%
Less: Allowance for impairment of trade receivables	**(137,793)**	(136,905)	0.6%
	48,456	44,083	9.9%
Advances to suppliers	**103,222**	99,103	4.2%
Less: Allowance for impairment of advances to suppliers	**(5,013)**	(3,568)	40.5%
	98,209	95,535	2.8%
Other receivables	**3,090**	4,490	-31.2%
Value added tax receivables	**11,877**	15,312	-22.4%
Total	**161,632**	159,420	1.4%

Inventories

	31 Dec 2014	31 Dec 2013	% Change
	RMB '000	RMB '000	+/ (-)
Raw materials	**42,794**	37,373	14.5%
Work-in-progress	**2,485**	8,148	-69.5%
Finished goods	**16,001**	21,243	-24.7%
Sub-total	**61,280**	66,764	-8.2%
Less: Write-down of finished goods which were considered obsolete.	**(9,850)**	(8,069)	22.1%
Total	**51,430**	58,695	-12.4%

Inventories as at 31 December 2014 were RMB51.4 million, representing a decrease of RMB7.3 million from RMB58.7 million as at 31 December 2013. This is mainly due to reduction in work-in-progress of RMB 5.7 million and write-down of inventories of RMB 1.8 million.

The write-down of the inventories was provided for our Shanghai subsidiary's specific GRAT.UNIC finished goods that are more than one year old. These inventories consist of designs more than 5 years old and non-core inventories purchased from third parties which are of low demand, slow or no movement.

Non current assets

The Group's property, plant and equipment decreased marginally by RMB1.8 million, or 3.6%, to RM47.9 million as at 31 December 2014 from RMB49.7 million as at 31 December 2013. This is mainly due to the purhcase of property, plant and equipment of RMB 4.9 million which is offset by depreciation charges of RMB 6.1 million.

Current liabilities

As at 31 December 2014, current liabilities amounted to RMB381.7 million, an increase of 1.1% or RMB4.0 million compared to RMB377.8 million as at 31 December 2013. This was mainly due to the increase in borrowings of RMB39.4 million as at 31 December 2014, offset by the decrease in trade and other payables and provision for restructuring of RMB29.4 million and RMB6.4 million respectively.

The breakdown of borrowings is as follows:

	As at 31 Dec 2014			As at 31 Dec 2013		
	Gross	**Deposits pledged**	**Net**	Gross	Deposits pledged	Net
	RMB' 000	**RMB' 000**	**RMB' 000**	RMB' 000	RMB' 000	RMB' 000
Bank borrowings	**90,380**	**-**	**90,380**	85,600	-	85,600
Bills payables	**85,840**	**(38,379)**	**47,461**	57,285	(24,486)	32,799
Trade financing	**130,167**	**(55,000)**	**75,167**	124,094	(40,000)	84,094
Total	**306,387**	**(93,379)**	**213,008**	266,979	(64,486)	202,493

The increase in gross borrowings were mainly due to additional borrowings obtained for bills payables of RMB28.6 million which were used for the Group's working capital purpose.

Shareholder's equity

Total shareholders' equity as at 31 December 2014 amounted to approximately RMB14.3 million, mainly comprise share capital of RMB104.77 million, restructuring reserve of RMB114.04 million and accumulated losses of RMB206.8 million. The decrease was mainly due to a net loss of RMB24.5 million incurred during FY14.

Movement in accumulated losses of the Group is as follows:

In RMB ' 000	**31 Dec 2014**	**31 Dec 2013**	**% Change**
			+/ (-)
Beginning of financial period	**(182,280)**	58,926	n.m.
Net loss	**(24,477)**	(241,206)	-89.9%
Total	**(206,757)**	(182,280)	13.4%

Commentary on financial cash flow

Cash and bank balances decreased by RMB33.9 million to RMB20.2 million as at 31 December 2014 from RM54.1 million as at 31 December 2013. This is mainly due to decrease in trade and other payables of RMB28.4 million.

The Group generated RMB136.3 million from operating activities mainly due to improved working capital as management tightened its controls over trade and other receivables and inventories. In addition, the Group relied on bills payable to pay most of the suppliers, thus reducing the outflow of cash and bank balances.

The Group's net cash used in investing activities of RMB4.7 million was mainly related to capital expenditures offset by proceeds from disposal of property, plant and machinery.

Net cash used in financing activities of RMB165.3 million, is mainly due to higher proceeds of borrowings as compared to proceeds from borrowings, which is offset by increase in bank deposits pledged.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Faced with shrinking overseas demand particularly from America and Europe, rising labour cost pressure in China and intense price competition from lower-cost manufacturing bases in Southeast Asia and Bangladesh, the Group seeks to continue to source for new raw materials at lower cost and to improve its products mix with higher average selling price. These combined efforts have resulted in improvement in gross profit margin for FY14. The Group intends to intensify these efforts in the next few quarters, while continuing to focus on cost rationalisation and improve its financial efficiencies such as inventory and cash flow management.

The Company has announced a proposed renounceable non-underwritten rights issue (the "**Proposed Rights Issue**") of up to 2,065,000,000 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S$0.005 for each Rights Share on the basis of seven (7) Rights Shares for every one (1) existing ordinary share in the capital of the Company held by the shareholders of the Company. The Proposed Rights Issue is an important step to raise funds to strengthen the Group's financial position to meet its working capital requirements and to enhance its financial flexibility to capitalise on potential growth and acquisition opportunities.

The Company will be seeking approval of shareholders for the Proposed Rights Issue at an extraordinary general meeting to be convened.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1,Q2 & Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Group	Contract Manufacturing*		Total	
	2014 RMB'000	2013 RMB'000	**2014 RMB'000**	2013 RMB'000
Revenue	**356,634**	406,535	**356,634**	~~415,955~~406,535
Gross profit(loss)	**21,652**	(28,211)	**21,652**	~~(~~(28,211)~~27,417)~~
*** The contract manufacturing business segment includes the results of GRAT.UNIC**				
Other losses,net			**6,040**	(18,501)
Selling and distribution			**(10,726)**	(12,687)
Administrative			**(26,624)**	(164,174)
Finance expense			**(10,092)**	(9,917)
Loss before income tax			**(19,750)**	~~(232,696)~~(232,291)
Income tax expenses			**(5,454)**	(8,219)
Net loss			**(25,204)**	~~(240,915)~~(241,510)
Net loss includes:				
-Depreciation	**6,074**	6,202	**6,074**	6.202
-Amortisation	**517**	517	**517**	517
-Impairment of inventory	**1,781**	180	**1,781**	180
-Impairment of advances to suppliers	**1,445**	1,577	**1,445**	1,577
-Advances to suppliers writen-off	**-**	17,311	**-**	17,311
-Impairment of trade receivables	**888**	134,059	**888**	134,059
-Allowance f**or** Impairment of property, plant and equipment	**-**	9,988	**-**	9,988
-Reversal of allowance for impairment of property, plant and equipment	**-**	(1,572)	**-**	(1,572)
Segment assets	**394,696**	~~404,941~~419,700	**394,696**	419,700
Segment assets includes:				
Additions to:				
-Property, plant and equipment	**4,884**	4,526	**4,884**	4,526
-Deposits for machinery and equipment	**1,463**	1,574	**1,463**	1,574
Segment Liabilities	**381,742**	~~375,651~~377,760	**381,742**	377,760

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

Group	FY2014* RMB'000	FY2013 RMB'000	% Change +/(-)
Sales reported for first half year	**174,770**	205,981	-15.2%
Operating (loss)/profit after reported for first half year	**(11,197)**	(58,114)	-80.7%
Sales reported for the second half year	**181,864**	~~209,974~~200,554	~~-13.4%~~ 10.3%
Operating (loss)/profit after tax reported for second half year	**(12,582)**	~~(182,801)~~(183,396)	-93.1%

*

For continuing operations

16. Interested person transactions

The Group does not have a general mandate from shareholders on interested person transactions. The aggregate value of interested person transactions for the year ended 31 December 2014 is as follows:

Name of interested person	Aggregate value of all interested person transaction during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Purchases from Quanzhou Honghao Colour Printing Co., Ltd., a company in which our Ex-Director Mr Weng Wenju owns 50% of the interest. Mr Weng Wenju is brother of Mr Weng Wenwei.	RMB0.88 million	NA

Mr Weng Wenwei had, in connection with banking facilities granted by various banks to our Group, provided personal guarantees to secure such facilities. No fees were paid or are payable by our Group to Mr Weng Wenwei in connection with such guarantees.

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate has been obtained from shareholders for IPTs.

18. Person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cai An'e (蔡安娥)	43	Wife of Executive Chairman and CEO, Weng Wenwei.	Group General Manager. She is in charge of overseeing the strategic business development of the Group.	Appointed as Group General Manager with effect from 16 May 2013.

On behalf of the Board of Directors,

BY ORDER OF THE BOARD
Weng Wenwei (翁文伟)
Chief Executive Officer
~~**23**~~ **25 February 2015**