GREAT GROUP HOLDINGS LIMITED
(Company Registration No. 200804077W)
(Incorporated in Singapore)

QUALIFIED OPINION AND EMPHASIS OF MATTER BY AUDITORS ON THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2014

In compliance with Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Board of Directors (the "**Board**" or the "**Directors**") of Great Group Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the independent auditor of the Company, Nexia TS Public Accounting Corporation (the "**Auditor**"), have issued the following qualified opinion and emphasis of matter ("**EOM**") in the Independent Auditor's Report for the consolidated financial statements of the Company and the Group for the financial year ended 31 December 2014 ("**FY2014**").

Qualified Opinion

Basis for Qualified Opinion

As disclosed in Note 11 to the financial statements, the Group was unable to access to the financial information of its subsidiary, Sinex Solutions Limited ("Sinex") since July 2014 and the Group's representative on the board of Sinex has resigned with effective from 25 September 2014. In view of these, the Group is deemed to have lost control over Sinex and has formally terminated the acquisition of Sinex on 23 October 2014. Consequently, we were unable to obtain sufficient appropriate audit evidence over the carrying amounts of assets and liabilities of Sinex as at 25 September 2014 as well as the results of its operations for the financial period then ended as we were unable to gain access to the documentation supporting the financial information as disclosed in the unaudited management accounts of Sinex. During the financial year ended 31 December 2014, the Group recognised profit from Sinex's operations and loss from deconsolidation of Sinex of RMB1,425,000 and RMB1,030,000 (2013: RMB595,000 and Nil) respectively. Accordingly, we were not able to determine whether adjustments to these amounts, if any, might have been necessary.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Emphasis of Matter

We draw attention to Note 4 to the financial statements. The Group incurred total loss of RMB21,647,000 (2013: RMB240,915,000) for financial year ended 31 December 2014 mainly due to reduction in sales volume and impairment losses recognised for certain assets. Furthermore, the Group's and the Company's current liabilities exceeded current assets by RMB49,396,000 and RMB16,031,000 (2013: RMB38,246,000 and RMB5,949,000) respectively as at 31 December 2014. The Group is dependent on short-term bank borrowings to meet its working capital and operating cash flows requirements. As at 31 December 2014, short-term bank borrowings amount to RMB306,387,000 (2013: RMB266,979,000). These bank borrowings are significantly higher than the Group's cash and cash equivalents of RMB113,569,000 (2013: RMB118,584,000) as at 31 December 2014 and are due for repayment within twelve months from the balance sheet date.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and of the Company's abilities to continue as going concerns

and discharge their liabilities in the ordinary course of business. Nevertheless, the directors of the Company believe that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2014 is appropriate after taking into consideration the following factors:

(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 has projected that it would be able to generate positive cash flows from its operations for the next twelve months.

(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. Management is not aware of any adverse circumstances that might cause the financial institutions not to renew the short-term bank borrowings.

(iii) On 31 December 2014, the Company announced to raise funds of up to $9,665,000 (net of share issue expenses) or approximately RMB44,842,000 from proposed rights issue of up to 2,065,000,000 new ordinary shares at an issue price of $0.005 each. In relation to the proposed rights issue, the investor, Forise Capital Group Limited has provided irrevocable undertaking to procure the subscription and payment, in full for the aggregate of 1,130,500,000 rights shares to be provisionally allotted to Weng Wenwei and G&W Investment Management Co., Ltd. and the investor has deposited $5,653,000 (equivalent to approximately RMB26,228,000) with the issue manager on 30 January 2015.

If the Group and the Company are unable to continue their operational existences and/or unable to maintain their credit facilities, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets as current assets. The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified with respect to this matter.

The Company's Annual Report for FY2014, which will contain the Independent Auditor's Report and the Company's consolidated financial statements, will be despatched to shareholders and the SGX-ST in due course.

BY ORDER OF THE BOARD

Weng Wenwei
Chief Executive Officer
2 April 2015