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

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1. **PROPOSED ADJUSTMENT TO WARRANTS ISSUED TO SAPO INVESTMENT PTE. LTD.**
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1. INTRODUCTION

The Board of Directors (the "**Board**") of Great Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the following earlier announcements:

(i) Its earlier announcement on 20 May 2013 entitled "*Entry into of a License Agreement and Proposed Warrants Issue to SAPO Investment Pte Ltd*";

(ii) Its earlier announcement on 19 July 2013 entitled "*Completion of Warrants Issue to SAPO Investment Pte Ltd*"; and

(iii) Its earlier announcement on 31 December 2014 entitled "*Proposed Renounceable Non-underwritten Rights Issue in the Capital of the Company*"

(collectively, the "**Earlier Announcements**" and each, an "**Earlier Announcement**").

Unless otherwise defined here, all capitalized terms herein shall bear the same meanings ascribed to them in the Earlier Announcements.

2. PROPOSED ADJUSTMENT WARRANTS ISSUE

In the Earlier Announcement dated 20 May 2013, the Company announced that it has entered into a Subscription Agreement with SAPO Investment Pte Ltd ("**Subscriber**"), pursuant to which, the Company has agreed to issue and the Subscriber has agreed to subscribe for 30,000,000 unlisted and non-transferable Warrants of the Company at a Warrant Price of S$0.005 each, with each Warrant carrying the right to subscribe for one (1) new ordinary share ("**Share**") of the Company upon exercise of the Warrants by the Subscriber at an exercise price of of S$0.075 ("**Exercise Price**") for each new Share, subject to adjustments in accordance with the terms and conditions of the Warrants (the "**Warrants Issue**").

In the Earlier Announcement dated 31 December 2014, the Company further announced that it proposes to undertake a renounceable non-underwritten rights issue (the "**Proposed Rights Issue**") of up to 2,065,000,000 new Shares in the capital of the Company (the "**Rights Shares**") (assuming that all Warrants are exercised prior to the Books Closure Date (as defined herein)) at an issue price of S$0.005 for each Rights Share (the "**Issue Price**") on the basis of seven (7) Rights Shares for every one (1) existing Share in the capital of the Company held by the shareholders of the Company (the "**Shareholders**") as at a date and time to be determined by the Directors of the Company for the purpose of determining the Shareholders' entitlements under the Proposed Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded.

As a result of the Proposed Rights Issue and pursuant to the Terms and Conditions of the Warrants in the Subscription Agreement ("**Warrants Conditions**"), the Company is required to make adjustments to the Exercise Price and the number of Warrants held by the Subscriber.

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As at the date of this announcement, all 30,000,000 Warrants remain outstanding and have not been exercised. Assuming that all 30,000,000 Warrants are not exercised prior to the Books Closure Date, the number of Warrants issued, and the exercise price at which such Warrants are to be converted into new Shares of the Company, will be adjusted in accordance with the Warrants Conditions. Pursuant to the Warrants Conditions, such adjustments will be effective (if appropriate, retrospectively) from the commencement of the market date following the closing date of the Proposed Rights Issue.

Pursuant to the Warrants Conditions, assuming that all 30,000,000 Warrants are not exercised prior to the Books Closure Date, the number of Warrants will be increased to 128,000,000, and each Warrant will carry the right to subscribe for one (1) new Share of the Company at adjusted decreased exercise price of S$0.0176 for each new Share. Accordingly, the Company will be required to issue up to 98,000,000 additional warrants ("**Adjustment Warrants**"), with every one (1) Adjustment Warrant carrying the right to subscribe for one (1) new Share in the capital of the Company at the adjusted exercise price of S$0.0176 for each new Share ("**Proposed Adjustment Warrants Issue**")

As required by the Warrants Conditions, the auditors of the Company, Nexia TS Public Accounting Corporation, have on 7 January 2015 certified the adjustments to the Warrants. The Company will be obtaining Shareholders' approval for the issuance of the Adjustment Warrants and the new Shares arising from the exercise of the Adjustment Warrants at the extraordinary general meeting to be held to approve, *inter alia*, the Proposed Rights Issue.

3. RECEIPT OF APPROVAL FROM THE SECURITIES INDUSTRY COUNCIL

In connection with the Proposed Rights Issue, G&W Investment Management Co., Ltd. ("**G&W**") and Mr Weng Wenwei ("**Mr Weng**") had, pursuant to the Undertaking Shareholders Undertakings, undertaken to renounce in favour of Forise Capital Group Limited (the "**Investor**"), the 1,130,500,000 Renounced Rights Shares, and the Investor had, pursuant to the Investor's Undertaking, undertaken to subscribe for the Renounced Rights Shares.

The fulfilment of the Investor's obligations pursuant to the Investor's Undertaking may result in the Investor (and its concert parties, if any) obtaining shareholding interest in the Company of more than 30%, and the Investor may incur an obligation to make a mandatory general offer pursuant to Rule 14 of the Singapore Code on Take overs and Mergers ("**Code**"). In this regard, the Company had, on behalf of the Investor, sought the approval of the Securities Industry Council of Singapore ("**SIC**") for a waiver of the obligations of the Investor and its concert parties (if any) to make a mandatory general offer under the Code, for all the shares not owned or controlled by the Investor and (its concert parties, if any) (the "**Whitewash Waiver**").

The SIC had on 2 April 2015 issued its approval for the Whitewash Waiver, subject to the following conditions:

(a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Rights Shares, a resolution (a "**Whitewash Resolution**") by way of a poll to waive their right to receive a general offer from the Investor;

(b) the Whitewash Resolution is separate from other resolutions;

(c) the Investor and its concert parties, as well as parties not independent of them abstain from voting on the Whitewash Resolution;

(d) that Investor and its concert parties did not acquire and are not to acquire any Shares in the Company or instruments convertible into and options in respect of Shares in the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares in the Company which have been disclosed in the circular):

(i) during the period between the date of the announcement of the Proposed Rights Issue and the date shareholders' approval is obtained for the Whitewash Resolution; and

(ii) in the 6 months prior to the date of the announcement of the Proposed Rights Issue, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Rights Issue;

(e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;

(f) the Company sets out clearly in its circular to Shareholders:-

(i) details of the Proposed Rights Issue as well as the Investor Undertaking;

(ii) the dilutive effect to existing holders of voting rights of the Company upon the acquisition of the Renounced Rights Shares by the Investor;

(iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Investor as at the latest practicable date of the Circular;

(iv) the number and percentage of voting rights to be acquired by the Investor and its concert parties (if any) upon the acquisition of the Renounced Rights Shares by the Investor;

(v) specific and prominent reference to the fact that the acquisition by the Investor for the Renounced Rights Shares would result in the Investor and its concert parties (if any) holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Investor and their concert parties (if any) will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company; and

(vi) that the independent Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Investor and its concert parties (if any) at the highest price paid by the Investor and its concert parties (if any) for the Shares in the past six (6) months preceding the commencement of the Proposed Rights Issue;

(g) the circular by the Company to its shareholders states that the waiver granted by SIC to the Investor from the requirement to make a general offer under Rule 14 of the Code is subject to conditions stated in (a) to (f) above;

(h) the Investor obtains SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution;

(i) to rely on the Whitewash Resolution, the acquisition of the Renounced Rights Shares by the Investor must be completed within 3 months of the approval of the Whitewash Resolution.

The SIC had further confirmed that the Undertaking Shareholders and the Investor are not deemed to be parties acting in concert in respect of the Company.

4. RECEIPT OF APPROVAL IN-PRINCIPLE

The Board of Directors is also pleased to announce that the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") has on 12 June 2015, granted its in-principle approval for the dealing in, listing of and quotation for up to 2,065,000,000 Rights Shares and 98,000,000 new Shares arising from the exercise of the Adjustment Warrants on the Official List of the SGX-ST, subject to, *inter alia*, the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) Shareholders' approval being obtained for the Proposed Rights Issue and the Proposed Adjustment Warrants Issue;

(c) a written undertaking from the Company that it will comply with Rule 704(30), 815

and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Proposed Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on the use of proceeds and in the annual report; and

(d) a written confirmation from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any Excess Rights Shares.

The in-principle approval granted by the SGX-ST is not to be taken as an indication of the merits of the Proposed Rights Issue, the Proposed Adjustment Warrants Issue, the Rights Shares, the Company and/or its subsidiaries.

5. DESPATCH OF CIRCULAR

A circular to Shareholders containing, *inter alia*, details of the Proposed Rights Issue and the Proposed Adjustment Warrants Issue, together with the notice of the extraordinary general meeting to be convened, will be despatched to Shareholders in due course.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr Weng and G&W as disclosed in the Earlier Announcement dated 31 December 2014, none of the Directors or Substantial Shareholders of the Company has any direct or indirect interest in the Proposed Rights Issue and the Proposed Adjustment Warrants Issue, other than through their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Weng Wenwei
Chief Executive Officer
12 June 2015