



# LONGCHEER HOLDINGS LIMITED

Incorporated in Bermuda  
Company Registration No. 35673

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 DECEMBER 2014

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

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the 2<sup>nd</sup> quarter ended 31 December 2014. These figures have not been audited.

#### Income Statement For 2<sup>nd</sup> Quarter

	-----The Group-----					
	FY2015 2 <sup>nd</sup> Qtr	FY2014 2 <sup>nd</sup> Qtr		FY2015 1 <sup>st</sup> Half	FY2014 1 <sup>st</sup> Half	
	1 Oct 14 to 31 Dec 14	1 Oct 13 to 31 Dec 13	+/( - )	1 Jul 14 to 31 Dec 14	1 Jul 13 to 31 Dec 13	+/( - )
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Continuing operations (Note)</b>						
<b>Revenue</b>	<b>2,813</b>	<b>2,668</b>	<b>5</b>	<b>5,948</b>	<b>4,881</b>	<b>22</b>
Cost of sales	(601)	(670)	-10	(1,409)	(1,447)	-3
<b>Gross profit</b>	<b>2,212</b>	<b>1,998</b>	<b>11</b>	<b>4,539</b>	<b>3,434</b>	<b>32</b>
Other income	289	1,896	-85	289	2,111	-86
Distribution costs	-	(297)	-100	-	(297)	-100
Administrative expenses	(2,132)	(3,145)	-32	(5,067)	(5,658)	-10
Other operating expenses	(1,432)	(1)	143,100	(3,861)	(499)	674
Finance income	21	39	-46	70	68	3
Share of results of associates	3,028	-	nm	7,643	(1,461)	nm
<b>Profit / (loss) before income tax</b>	<b>1,986</b>	<b>490</b>	<b>305</b>	<b>3,613</b>	<b>(2,302)</b>	<b>nm</b>
<b>Profit / (loss) for the period from continuing operations</b>	<b>1,986</b>	<b>490</b>	<b>305</b>	<b>3,613</b>	<b>(2,302)</b>	<b>nm</b>
<b>Discontinued operations (Note)</b>						
<b>Gain for the period from discontinued operations</b>	<b>-</b>	<b>35,772</b>	<b>-100</b>	<b>36,321</b>	<b>61,317</b>	<b>-41</b>
<b>Profit for the period</b>	<b>1,986</b>	<b>36,262</b>	<b>-95</b>	<b>39,934*</b>	<b>59,015</b>	<b>-32</b>
<b>Profit for the period attributable to:</b>						
Owners of the Company	1,986	36,365	-95	39,934	58,335	-32
Non-controlling interests	-	(103)	-100	-	680	-100
	<b>1,986</b>	<b>36,262</b>	<b>-95</b>	<b>39,934</b>	<b>59,015</b>	<b>-32</b>

\*Including the reclassification adjustment on disposal of subsidiaries under other comprehensive income of RMB29,132,000, profit for the period amounted to RMB10,802,000.

#### Note

As stated in the announcement of the Company dated 8 September 2014, the disposal ("Disposal") of Mobell Technology Pte. Ltd. ("Mobell") was completed on 5 September 2014. Accordingly, Mobell ceased to be a subsidiary of the Company and the results of Mobell and its subsidiaries was consolidated up to the date of completion of the Disposal and classified as discontinued operations. After completion of the Disposal, the Group was principally engaged in the business of investment in property and equity interests in 20%-owned Mentech which are classified as continuing operations.



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	<b>&lt;-----The Group-----&gt;</b>					
	<b>FY2015</b>	<b>FY2014</b>		<b>FY2015</b>	<b>FY2014</b>	
	<b>2<sup>nd</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>		<b>1<sup>st</sup> Half</b>	<b>1<sup>st</sup> Half</b>	
	1 Oct 14 to	1 Oct 13 to	<b>+/(-) </b>	1 Jul 14 to	1 Jul 13 to	<b>+/(-) </b>
	31 Dec 14	31 Dec 13		31 Dec 14	31 Dec 13	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Continuing operations</b>						
<b>Profit / (loss) for the period attributable to:</b>						
Owners of the Company	1,986	497	300	3,613	(3,860)	nm
Non-controlling interests	-	(7)	-100	-	1,558	-100
	<b>1,986</b>	<b>490</b>	<b>305</b>	<b>3,613</b>	<b>(2,302)</b>	<b>nm</b>
<b>Discontinued operations</b>						
<b>Gain for the period attributable to:</b>						
Owners of the Company	-	35,868	-100	36,321	62,195	-42
Non-controlling interests	-	(96)	-100	-	(878)	-100
	<b>-</b>	<b>35,772</b>	<b>-100</b>	<b>36,321</b>	<b>61,317</b>	<b>-41</b>

## Statement of Comprehensive Income

	<b>&lt;-----The Group-----&gt;</b>					
	<b>FY2015</b>	<b>FY2014</b>		<b>FY2015</b>	<b>FY2014</b>	
	<b>2<sup>nd</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>		<b>1<sup>st</sup> Half</b>	<b>1<sup>st</sup> Half</b>	
	1 Oct 14 to	1 Oct 13 to	<b>+/(-) </b>	1 Jul 14 to	1 Jul 13 to	<b>+/(-) </b>
	31 Dec 14	31 Dec 13		31 Dec 14	31 Dec 13	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Profit for the period</b>	<b>1,986</b>	<b>36,262</b>	<b>-95</b>	<b>39,934</b>	<b>59,015</b>	<b>-32</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Change in fair value on available-for-sale financial assets	-	(81)	-100	(411)	665	nm
Currency translation						
- Group	716	364	97	753	(1,011)	nm
- Associates	(360)	(405)	-11	(367)	(123)	198
- Available-for-sale financial assets	-	(30)	-100	8	(50)	nm
Reclassification adjustment						
- Disposal of subsidiaries	-	-	nm	(29,132)	6,026	nm
<b>Other comprehensive income for the period, net of tax amounting to nil</b>	<b>356</b>	<b>(152)</b>	<b>nm</b>	<b>(29,149)</b>	<b>5,507</b>	<b>nm</b>
<b>Total comprehensive income for the period</b>	<b>2,342</b>	<b>36,110</b>	<b>-94</b>	<b>10,785</b>	<b>64,522</b>	<b>-83</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	2,342	36,213	-94	10,785	63,842	-83
Non-controlling interests	-	(103)	-100	-	680	-100
	<b>2,342</b>	<b>36,110</b>	<b>-94</b>	<b>10,785</b>	<b>64,522</b>	<b>-83</b>

nm: Not meaningful / material



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## Notes:

- (i) Profit before tax is determined after crediting / (charging) the following:

	<b>&lt;-----The Group-----&gt;</b>					
	<b>FY2015</b>	<b>FY2014</b>		<b>FY2015</b>	<b>FY2014</b>	
	<b>2<sup>nd</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>		<b>1<sup>st</sup> Half</b>	<b>1<sup>st</sup> Half</b>	
	<b>1 Oct 14 to</b>	<b>1 Oct 13 to</b>	<b>+/(-) 1 Jul 14 to</b>	<b>1 Jul 13 to</b>	<b>+/(-) 1 Jul 13 to</b>	
	<b>31 Dec 14</b>	<b>31 Dec 13</b>		<b>31 Dec 14</b>	<b>31 Dec 13</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Continuing operations</b>						
(a) Interest income	21	39	-46	70	68	3
(b) Amortisation of intangible assets	(2)	(3)	-33	(5)	(6)	-17
(c) Depreciation of property, plant and equipment	(11)	(12)	-8	(21)	(26)	-19
(d) Foreign exchange (loss) / gain	(1,420)	30	nm	(3,848)	229	nm
(e) Gain on disposal of interest in associates	-	147	-100	-	147	-100
(m) Equity-settled share-based payment expenses	273	1,718	-84	273	1,221	-78
<b>Discontinued operations</b>						
(a) Interest income	-	5,875	-100	7,857	13,856	-43
(b) Interest income on other receivables	-	1,483	-100	791	3,593	-78
(c) Interest expenses	-	(560)	-100	(150)	(1,542)	-90
(d) Amortisation of land use rights	-	(100)	-100	(67)	(200)	-67
(e) Amortisation of intangible assets	-	(1,002)	-100	(434)	(2,402)	-82
(f) Depreciation of property, plant and equipment	-	(2,426)	-100	(1,891)	(4,901)	-61
(g) Foreign exchange loss	-	(3,676)	-100	(398)	(6,121)	-93
(h) Loss on disposal of property, plant and equipment	-	(302)	-100	(8)	(326)	-98
(i) Write off of intangible assets	-	-	nm	-	(166)	-100
(j) Gain / (loss) on disposal of subsidiaries	-	-	nm	25,730	(4,570)	nm
(k) Allowance for and write down of inventories	-	(13,803)	-100	(12,565)	(32,265)	-61

- (ii) Finance income includes interest income and interest income on other receivables.



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## 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

### Statements of Financial Position

	<----- Group----->		<----- Company----->	
	As at 31 Dec 14 RMB'000	As at 30 Jun 14 RMB'000	As at 31 Dec 14 RMB'000	As at 30 Jun 14 RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	103	88,748	-	-
Investment properties	130,000	144,600	-	-
Land use rights	-	18,323	-	-
Intangible assets	-	2,832	-	-
Deposits paid	-	20,815	-	-
Interests in subsidiaries	-	-	-	166,186
Interests in associates	86,472	94,236	-	-
Available-for-sale financial assets	-	4,056	-	-
	<b>216,575</b>	<b>373,610</b>	<b>-</b>	<b>166,186</b>
<b>Current assets</b>				
Cash and deposit balances	49,678	227,707	31,585	2,238
Restricted bank balances and pledged deposits	-	1,028,377	-	-
Financial assets at fair value through profit or loss	-	23,380	-	23,380
Available-for-sale financial assets	-	10,000	-	-
Amounts due from subsidiaries	-	-	155,745	143,613
Note receivables	-	57,455	-	-
Trade receivables	532	456,350	-	-
Other receivables	604	118,601	-	-
Trade deposits paid to suppliers	-	1,911	-	-
Inventories	-	378,719	-	-
	<b>50,814</b>	<b>2,302,500</b>	<b>187,330</b>	<b>169,231</b>
<b>Current liabilities</b>				
Bank borrowings	-	77,854	-	-
Trade and bill payables	-	1,577,794	-	-
Amounts due to subsidiaries	-	-	8,261	44,744
Other payables	16,723	186,338	1,714	27,506
Trade deposits received from customers	295	120,210	-	-
Income tax payable	-	28,290	-	-
	<b>17,018</b>	<b>1,990,486</b>	<b>9,975</b>	<b>72,250</b>
<b>Net current assets</b>	<b>33,796</b>	<b>312,014</b>	<b>177,355</b>	<b>96,981</b>
<b>Net assets</b>	<b>250,371</b>	<b>685,624</b>	<b>177,355</b>	<b>263,167</b>
<b>EQUITY</b>				
Equity attributable to owners of the Company				
Share capital	65,608	65,608	65,608	65,608
Treasury shares	(90,042)	(90,042)	(90,042)	(90,042)
Reserves	274,805	710,058	201,789	287,601
	<b>250,371</b>	<b>685,624</b>	<b>177,355</b>	<b>263,167</b>
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<b>250,371</b>	<b>685,624</b>	<b>177,355</b>	<b>263,167</b>



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## 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

### Amount repayable within 1 year or less, or on demand

As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000
-	-

As at 30 June 2014	
Secured RMB'000	Unsecured RMB'000
77,854	-

### Amount repayable after 1 year

As at 31 December 2014	
Secured RMB'000	Unsecured RMB'000
-	-

As at 30 June 2014	
Secured RMB'000	Unsecured RMB'000
-	-

## 1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Statement of cash flows for 2<sup>nd</sup> Quarter Ended 31 December

	<-----The Group----->			
	FY2015 2 <sup>nd</sup> Qtr	FY2014 2 <sup>nd</sup> Qtr	FY2015 1 <sup>st</sup> Half	FY2014 1 <sup>st</sup> Half
	1 Oct 14 to 31 Dec 14	1 Oct 13 to 31 Dec 13	1 Jul 14 to 31 Dec 14	1 Jul 13 to 31 Dec 13
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flow from operating activities:</b>				
Profit / (loss) before income tax from continuing operations	1,986	490	3,613	(2,302)
Gain before income tax from discontinued operations	-	40,274	37,421	70,129
Profit before income tax	1,986	40,764	41,034	67,827
Adjustments for:				
Interest income	(21)	(5,914)	(7,927)	(13,924)
Interest income on other receivables	-	(1,483)	(791)	(3,593)
Interest expenses	-	560	150	1,542
Allowance for and write down of inventories	-	13,803	12,565	32,265
Amortisation of land use rights	-	100	67	200
Amortisation of intangible assets	2	1,005	439	2,408
Depreciation of property, plant and equipment	11	2,438	1,912	4,927
Loss on disposal of property, plant and equipment	-	302	8	326
Write off of intangible assets	-	-	-	166
Share of results of associates	(3,028)	(1,759)	(7,643)	(2,784)
Dividend received from available-for-sale financial assets	-	-	-	(164)
(Gain) / loss on disposal of subsidiaries	-	-	(25,730)	4,570
Gain on disposal of interests in associates	-	(147)	-	(147)



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	-----The Group-----			
	FY2015 2 <sup>nd</sup> Qtr	FY2014 2 <sup>nd</sup> Qtr	FY2015 1 <sup>st</sup> Half	FY2014 1 <sup>st</sup> Half
	1 Oct 14 to 31 Dec 14	1 Oct 13 to 31 Dec 13	1 Jul 14 to 31 Dec 14	1 Jul 13 to 31 Dec 13
	RMB'000	RMB'000	RMB'000	RMB'000
Equity-settled share-based payment expenses	(273)	(1,718)	(273)	(1,221)
<b>Operating cash flows before movements in working capital</b>	<b>(1,323)</b>	<b>47,951</b>	<b>13,811</b>	<b>92,398</b>
Increase in trade and note receivables	(384)	(415,667)	(46,928)	(368,112)
(Increase) / decrease in other receivables and trade deposits paid to suppliers	(64)	15,713	(62,476)	(89,782)
Increase in inventories	-	(59,473)	(162,726)	(155,961)
Increase in trade and bill payables	-	718,749	146,292	725,944
(Decrease) / increase in other payables and trade deposits received from customers	(2,884)	69,648	120,645	138,906
<b>Cash (used in) / generated from operations</b>	<b>(4,655)</b>	<b>376,921</b>	<b>8,618</b>	<b>343,393</b>
Interest paid	-	(558)	(150)	(1,557)
Income tax (paid) / refund	-	(33)	2	216
<b>Net cash (used in) / generated from operating activities</b>	<b>(4,655)</b>	<b>376,330</b>	<b>8,470</b>	<b>342,052</b>
<b>Cash flow from investing activities:</b>				
Interest received	22	9,227	8,970	20,933
Proceeds from disposal of property, plant and equipment	-	2	30	9
Purchase of property, plant and equipment	-	(2,144)	(10,637)	(6,598)
Purchase of intangible assets	-	(630)	(52)	(2,527)
Proceed from disposal of interests in associates	15,040	1,650	15,040	1,650
Dividend received from available-for-sale financial assets	-	-	-	164
Redemption of financial assets at fair value through profit or loss	-	-	23,380	-
Disposal of subsidiaries (net of cash and cash equivalents disposed)	-	-	151,515	20,879
Distribution to non-controlling interests upon winding-up of subsidiaries	-	(5,238)	-	(5,238)
(Increase) / decrease in restricted bank balances and pledged deposits	-	(334,515)	70,174	(319,342)
<b>Net cash generated from / (used in) investing activities</b>	<b>15,062</b>	<b>(331,648)</b>	<b>258,420</b>	<b>(290,070)</b>
<b>Cash flow from financing activities:</b>				
Dividends paid	-	-	(445,150)	-
Purchase of treasury shares	-	-	-	(1,723)
Proceeds from bank borrowings	-	10,000	-	10,000



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	←-----The Group-----→			
	<b>FY2015</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2014</b>
	<b>2<sup>nd</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>	<b>1<sup>st</sup> Half</b>	<b>1<sup>st</sup> Half</b>
	1 Oct 14 to	1 Oct 13 to	1 Jul 14 to	1 Jul 13 to
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Repayment of bank borrowings	-	(10,000)	-	(20,000)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(445,150)</b>	<b>(11,723)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>10,407</b>	<b>44,682</b>	<b>(178,260)</b>	<b>40,259</b>
Cash and cash equivalents at the beginning of the financial period	37,614	179,824	226,151	186,075
Effect of foreign exchange rate changes, net	101	(153)	231	(1,981)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>48,122</b>	<b>224,353</b>	<b>48,122</b>	<b>224,353</b>
<b>Analysis of cash and cash equivalents</b>				
Cash and bank deposits	48,122	1,056,382	48,122	1,056,382
Less: Restricted bank balances and pledged deposits	-	(832,029)	-	(832,029)
<b>Cash and cash equivalents</b>	<b>48,122</b>	<b>224,353</b>	<b>48,122</b>	<b>224,353</b>
Fixed bank deposits with an original maturity of more than 3 months	1,556	1,140	1,556	1,140
<b>Cash and deposit balances</b>	<b>49,678</b>	<b>225,493</b>	<b>49,678</b>	<b>225,493</b>



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## Notes:

Gain for the period from discontinued operations

	-----The Group----->					
	FY2015 2 <sup>nd</sup> Qtr	FY2014 2 <sup>nd</sup> Qtr		FY2015 1 <sup>st</sup> Half	FY2014 1 <sup>st</sup> Half	
	1 Oct 14 to 31 Dec 14	1 Oct 13 to 31 Dec 13	+/( -)	1 Jul 14 to 31 Dec 14	1 Jul 13 to 31 Dec 13	+/( -)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
<b>Revenue</b>	-	1,894,950	-100	1,356,382	3,145,959	-57
Cost of sales	-	(1,752,121)	-100	(1,313,665)	(2,906,231)	-55
<b>Gross profit</b>	-	<b>142,829</b>	<b>-100</b>	<b>42,717</b>	<b>239,728</b>	<b>-82</b>
Other income	-	2,608	-100	3,840	3,120	23
Distribution costs	-	(21,735)	-100	(6,647)	(34,730)	-81
Administrative expenses	-	(87,541)	-100	(36,292)	(145,879)	-75
Other operating expenses	-	(4,444)	-100	(425)	(7,692)	-94
Finance income	-	7,358	-100	8,648	17,449	-50
Share of results of associates	-	1,759	-100	-	4,245	-100
Finance costs	-	(560)	-100	(150)	(1,542)	-90
<b>Profit before income tax</b>	-	<b>40,274</b>	<b>-100</b>	<b>11,691</b>	<b>74,699</b>	<b>-84</b>
Income tax expense	-	(4,502)	-100	(1,100)	(8,812)	-88
	-	<b>35,772</b>	<b>-100</b>	<b>10,591</b>	<b>65,887</b>	<b>-84</b>
<b>Gain / (loss) on disposal of subsidiaries</b>	-	-	<b>-100</b>	<b>25,730</b>	<b>(4,570)</b>	<b>nm</b>
<b>Gain for the period from discontinued operations</b>	-	<b>35,772</b>	<b>-100</b>	<b>36,321</b>	<b>61,317</b>	<b>-41</b>
<b>Gain for the period attributable to:</b>						
Owners of the Company	-	35,868	<b>-100</b>	36,321	62,195	<b>-42</b>
Non-controlling interests	-	(96)	<b>-100</b>	-	(878)	<b>-100</b>
	-	<b>35,772</b>	<b>-100</b>	<b>36,321</b>	<b>61,317</b>	<b>-41</b>





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- 1(d)(i) A statement (for the issuer and 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.

## Statement of Changes in Equity for the Group

	Attributable to owners of the Company							Total equity
	Share capital	Treasury shares	Share premium	Share award reserve	Trans-lation reserve	Property re-valuation reserve	Retained earnings	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Oct 2014</b>	65,608	(90,042)	138,818	888	(80,704)	6,775	207,574	248,917
Arising from share award plan	-	-	-	(888)	-	-	-	(888)
<b>Transactions with owners</b>	-	-	-	(888)	-	-	-	(888)
Profit for the period	-	-	-	-	-	-	1,986	1,986
<b>Other comprehensive income</b>								
-Currency translation								
- Group	-	-	-	-	716	-	-	716
- Associate	-	-	-	-	(360)	-	-	(360)
<b>Total comprehensive income for the period</b>	-	-	-	-	356	-	1,986	2,342
<b>Balance at 31 Dec 2014</b>	65,608	(90,042)	138,818	-	(80,348)	6,775	209,560	250,371



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## Attributable to owners of the Company

	Share capital	Treasury shares	Share premium	Capital reserve	Legal reserve	Share award reserve	Translation reserve	Property re-valuation reserve	Available-for-sale financial assets revaluation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Oct 2013</b>	<b>65,608</b>	<b>(91,954)</b>	<b>138,818</b>	<b>30,546</b>	<b>69,691</b>	<b>2,933</b>	<b>(50,955)</b>	<b>10,994</b>	<b>698</b>	<b>447,411</b>	<b>623,790</b>	<b>5,341</b>	<b>629,131</b>
Arising from share award plan	-	-	-	-	-	(1,718)	-	-	-	-	(1,718)	-	(1,718)
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,718)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,718)</b>	<b>-</b>	<b>(1,718)</b>
Profit / (loss) for the period	-	-	-	-	-	-	-	-	-	36,365	36,365	(103)	36,262
<b>Other comprehensive income</b>													
-Change in fair value on available-for-sale financial assets	-	-	-	-	-	-	-	-	(81)	-	(81)	-	(81)
-Currency translation													
- Group	-	-	-	-	-	-	364	-	-	-	364	-	364
- Associate	-	-	-	-	-	-	(405)	-	-	-	(405)	-	(405)
- Available-for-sale financial assets	-	-	-	-	-	-	(30)	-	-	-	(30)	-	(30)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71)</b>	<b>-</b>	<b>(81)</b>	<b>36,365</b>	<b>36,213</b>	<b>(103)</b>	<b>36,110</b>
Winding-up of subsidiaries	-	-	-	-	(858)	-	-	-	-	858	-	(5,238)	(5,238)
<b>Balance at 31 Dec 2013</b>	<b>65,608</b>	<b>(91,954)</b>	<b>138,818</b>	<b>30,546</b>	<b>68,833</b>	<b>1,215</b>	<b>(51,026)</b>	<b>10,994</b>	<b>617</b>	<b>484,634</b>	<b>658,285</b>	<b>-</b>	<b>658,285</b>



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## Statement of Changes in Equity for the Company

Company	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Share award reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
<b>Balance at 1 Oct 2014</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>888</b>	<b>(84,021)</b>	<b>149,361</b>	<b>180,612</b>
Arising from share award plan	-	-	-	(888)	-	-	(888)
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(888)</b>	<b>-</b>	<b>-</b>	<b>(888)</b>
Loss for the period	-	-	-	-	-	(2,006)	(2,006)
<b>Other comprehensive income</b>							
-Currency translation	-	-	-	-	(363)	-	(363)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(363)</b>	<b>(2,006)</b>	<b>(2,369)</b>
<b>Balance at 31 Dec 2014</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>-</b>	<b>(84,384)</b>	<b>147,355</b>	<b>177,355</b>
<b>Balance at 1 Oct 2013</b>	<b>65,608</b>	<b>(91,954)</b>	<b>138,818</b>	<b>2,933</b>	<b>(84,446)</b>	<b>148,665</b>	<b>179,624</b>
Arising from share award plan	-	-	-	(1,718)	-	-	(1,718)
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,718)</b>	<b>-</b>	<b>-</b>	<b>(1,718)</b>
Loss for the period	-	-	-	-	-	(978)	(978)
<b>Other comprehensive income</b>							
-Currency translation	-	-	-	-	(1,277)	-	(1,277)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,277)</b>	<b>(978)</b>	<b>(2,255)</b>
<b>Balance at 31 Dec 2013</b>	<b>65,608</b>	<b>(91,954)</b>	<b>138,818</b>	<b>1,215</b>	<b>(85,723)</b>	<b>147,687</b>	<b>175,651</b>



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- 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.**

There was no change in the authorised, issued and paid-up share capital of the Company since the Company's previous announcement.

As at 31 December 2014, the Company held 44,218,750 (31 December 2013: 45,303,250) treasury shares. There were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 December 2014.

As at 31 December 2014, there were nil (31 December 2013: 3,615,000) share awards outstanding, which would result in an issue or transfer of an equivalent number of shares in the Company if performance conditions are met.

Details of the Share Award Plan are provided in the Circular to shareholders dated 28 September 2007. In summary, these share awards would vest over a 3-year period, and subject to achievement of certain performance conditions. Shares would be issued or transferred to such participants in accordance with their entitlements of the share awards.

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

	<---The Company--->	
	As at 31 Dec 14	As at 30 Jun 14
Issued shares	396,664,100	396,664,100
Less: Treasury shares	(44,218,750)	(44,218,750)
<b>Total number of issued shares excluding treasury shares</b>	<b>352,445,350</b>	<b>352,445,350</b>

- 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 reported on.**

During the quarter, no treasury shares were used to satisfy the vesting of an equivalent number of share awards.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.



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

The Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 30 June 2014, except for the adoption of revised International Financial Reporting Standards (IFRSs) which became effective for the financial period beginning on 1 July 2014. The adoption of these revised IFRSs did not give rise to significant changes to the financial statements.

**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.**

Refer to note (4) above.

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

	<-----The Group----->			
	FY2015 2 <sup>nd</sup> Qtr RMB cents	FY2014 2 <sup>nd</sup> Qtr RMB cents	FY2015 1 <sup>st</sup> Half RMB cents	FY2014 1 <sup>st</sup> Half RMB cents
Earnings / (losses) per share				
-continuing operations	0.56	0.14	1.03	(1.10)
-continuing and discontinued operations	0.56	10.35	11.33	16.60
Weighted average number of shares	352,445,350	351,360,850	352,445,350	351,462,361

There was no dilutive potential ordinary share. There is no dilution effect from contingently issuable shares arising from the share awards as performance conditions for the current financial year has not been met.

**7. Net asset 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.**

	<----The Group---->		<----The Company---->	
	As at 31 Dec 14 RMB (cents)	As at 30 Jun 14 RMB (cents)	As at 31 Dec 14 RMB (cents)	As at 30 Jun 14 RMB (cents)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	71.04	194.53	50.32	74.67
Number of shares (excluding treasury shares)	352,445,350	352,445,350	352,445,350	352,445,350



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It 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 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 reported on.

### **Performance of the Group**

#### **Note**

As stated in the announcement of the Company dated 8 September 2014, the disposal ("Disposal") of Mobell Technology Pte. Ltd. ("Mobell") was completed on 5 September 2014. Accordingly, Mobell ceased to be a subsidiary of the Company and the results of Mobell and its subsidiaries was consolidated up to the date of completion of the Disposal. For further details, please refer to the announcements of the Company dated 24 June 2014 and 8 September 2014 and the circular of the Company dated 31 July 2014.

#### **Revenue**

After completion of capital reduction of Shanghai Tricheer in September 2013 and completion of the Disposal in September 2014, revenue of the Group mainly comprised of rental income derived from investment property in Xi'an.

Revenue increased to RMB2.8 million in Q2 FY15 compared to RMB2.7 million in Q2 FY14. The increase in rental income was attributable to the increase in average rental rate upon renewal of expired lease agreements.

#### **Gross profit and gross profit margin**

Gross profit increased to RMB2.2 million in Q2 FY15 compared to RMB2.0 million in Q2 FY14. Correspondingly, gross profit margin for Q2 FY15 increased to 79% compared to 75% in Q2 FY14. The increase was attributable to the increase in average rental rate upon renewal of expired lease agreements.

#### **Other income**

Other income decreased from RMB1.9 million in Q2 FY14 to RMB0.3 million Q2 FY15 mainly due to decrease in reversal of equity-settled share-based payment expenses from RMB1.7 in Q2 FY14 to RMB0.3 million in Q2 FY15.

#### **Administrative expenses**

Administrative expenses decreased from RMB3.1 million in Q2 FY14 to RMB2.1 million in Q2 FY15 mainly due to decrease in staff cost after completion of the Disposal.

#### **Other operating expenses**

Other operating expenses increased to RMB1.4 million in Q2 FY15 mainly due to the unrealised exchange losses recorded in Q2 FY15 amounted to RMB1.4 million due to depreciation of Singapore dollars against RMB. After completion of the Disposal and special dividends payment, most of the cash is held in Singapore dollars.

#### **Share of results of associates**

Share of results of associates recorded a profit of RMB3.0 million in Q2 FY15 mainly attributable to improvement in performance of its 20%-owned associate, Mentech. Moreover, the Group has disposed of its 14.68%-owned associate, Shanghai Tricheer in this quarter. Please refer to announcement dated 14 November 2014 for further details.



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### **Balance Sheet**

**(31 December 2014 compared to 30 June 2014)**

After completion of the Disposal, the business of the Group is mainly in investment properties and equity interests in associates. As such the assets of the Group after Disposal are mainly investment properties and interests in associates.

#### **Investment properties**

This relates to the Group's investment property located in Xi'an which was leased out for generating rental income.

#### **Interests in associates**

This relates to the Group's investment in 20%-owned associate, Mentech amounting to RMB86.5 million. Balance decreased mainly due to the disposal of the 14.68%-owned associate, Shanghai Tricheer in this quarter.

#### **Cash and deposit balances**

Cash and deposit balances decreased from RMB227.7 million as at 30 June 2014 to RMB49.7 million as at 31 December 2014. It is the Company's continuing effort in enhancing shareholders' value. As such, following the Disposal, the Group distributed the excess cash including the net proceeds from the Disposal to shareholders as special dividends. The special dividends have been paid to shareholders in September 2014.

#### **Other payables**

This mainly relates to the payables to constructors for the Xi'an investment property.

#### **Working Capital Management**

Working capital was managed as to optimise capital efficiency:-

	<b>Q2 FY15</b>
<b>Turnover Days</b>	<b>Days</b>
Trade receivables (including trade deposits paid to suppliers)	11.4
Trade payables (including trade deposits received from customers)	51.5

#### **Cash Flow**

For Q2 FY15, the Group recorded net cash used in operating activities of RMB4.66 million. This is mainly attributable to payment of transaction costs for the Disposal after completion.

During the quarter, the Group received RMB15.0 million from the disposal of the 14.68%-owned associate, Shanghai Tricheer.



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

No forecast or prospect statement had been made.

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.**

On 24 June 2014, the Company entered into a conditional sale and purchase agreement with First Prosperous International Limited (the "Purchaser") in relation to the disposal of its entire interest in its wholly-owned subsidiary, Mobell Technology Pte. Ltd. to the Purchaser (the "Disposal") for an aggregate cash consideration of RMB240 million. Mobell Technology Pte. Ltd. and its subsidiaries are principally engaged in the ODM business of designing mobile devices. The Disposal is approved by shareholders in the special general meeting held on 15 August 2014. The completion of the Disposal took place on 5 September 2014. For further details of the Disposal, please refer to the announcements dated 24 June 2014 and 8 September 2014 and circular dated 31 July 2014.

On 14 November 2014, the Group entered into an equity transfer agreement with Shanghai Zhanqi Investment Centre LP (上海展旗投资中心(有限合伙)) in relation to the sale of 14.68% equity interest in Shanghai Tricheer at a cash consideration of RMB15,040,000. The transfer was completed in this quarter. Please refer to the announcement dated 14 November 2014 for further details.

After the Disposal and the disposal of the 14.68%-owned associate, Shanghai Tricheer, the Group was principally engaged in the business of investment in property and equity interests in 20%-owned Mentech, as such, the business of the Group will be affected by property leasing environment in the PRC and the performance of Mentech.

Going forward, the Board will consider all options available to the Company. Shareholders will be informed in due course once a definitive decision has been made.

*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*





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### **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) Dividend is before tax, net of tax or tax exempt : N.A.

(d) Date of Dividend payable : N.A.

(e) Book Closure Date : N.A.

### **12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been recommended.

### **13. 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 IPT mandate has been obtained.

### **14. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render these unaudited interim financial statements for the quarter ended 31 December 2014, to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD  
LONGCHEER HOLDINGS LIMITED**

Dr Du Junhong  
**Executive Chairman**  
9 February 2015