



LONGCHEER HOLDINGS LIMITED
Incorporated in Bermuda
Company Registration No. 35673

**NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO
THE PROPOSED ACQUISITION**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Longcheer Holdings Limited (the “**Company**”) wishes to announce that the Company has on 12 June 2015 entered into a non-binding memorandum of understanding (the “**MOU**”) in relation to the proposed acquisition by the Company from Pacific Star Development Pte. Ltd. (the “**Vendor**” and together with the Company, the “**Parties**”) of 51 ordinary shares (the “**Sale Shares**”) representing 51% of the entire issued and paid-up share capital of Twin Prosperity Group Ltd (the “**Target**”), together with its subsidiaries (the “**Target Group**”) (hereinafter referred to as the “**Proposed Acquisition**”).

The MOU is subject to the Parties entering into a definitive sale and purchase agreement (the “**Definitive Agreement**”). The MOU is not intended to be legally binding between the Parties, except for provisions relating to confidentiality, exclusivity, non-binding effect, termination, representation by the Parties as to the power and authority to enter into the MOU, costs and expenses and governing law. The Parties shall negotiate in good faith, and use reasonable endeavours to agree on the terms and conditions of the Definitive Agreement on or prior to 31 December 2015 or such other late date as the Parties may agree (the “**Long Stop Date**”).

2. INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands which legally and beneficially holds the entire issued share capital of Tropical Sunrise Development Inc. (“**TSD**”) which, in turn, legally and beneficially holds the entire issued share capital of Pearl Discovery Development Sdn Bhd (“**PDD**”), a company incorporated in Malaysia. PDD is the registered proprietor of the land and buildings known as Puteri Cove Residences, a property project located in Puteri Harbour, Iskandar, Johor, Malaysia (the “**Asset**”).

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1 Purchase Consideration and Consideration Shares

The aggregate consideration for the Proposed Acquisition (“**Purchase Consideration**”) (on the basis that the Sale Shares will be acquired by the Company pursuant to the Proposed Acquisition) shall be in the range of S\$120,000,000 to S\$150,000,000.

The Purchase Consideration shall be satisfied by:

- (a) the issue and allotment of new ordinary shares in the share capital of the Company (the “**Consideration Shares**”) to the Vendor; and
- (b) the payment of cash by the Company to the Vendor (“**Cash Consideration**”).

The terms of the Purchase Consideration, the Cash Consideration, the Consideration Shares and the conditions precedent shall be negotiated between the Parties and agreed upon in the Definitive Agreement.

3.2 Exclusivity

The Vendor agrees not to directly or indirectly encourage, initiate or engage in discussions or negotiations with, or provide any information to, any other person concerning the matters contained herein or in relation to any investment in equity of the Target, any disposal (whether by way of sale, transfer, assignment, offer or otherwise) of, or encumbrances over, all or any part of, or any interest in, the Sale Shares and assets of the Target, or any matter which may have an adverse effect on the Proposed Acquisition between the date of this MOU and the date of execution of the Definitive Agreement or the Long Stop Date (whichever is earlier).

4. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors (“**Directors**”) or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

5. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Agreement will be entered into, the terms and conditions of the Proposed Acquisition will not differ from that set out in the MOU, or the Proposed Acquisition will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

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

Dr Du Junhong
Executive Chairman
12 June 2015