LONGCHEER HOLDINGS LIMITED
Incorporated in Bermuda
Company Registration No. 35673

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF MOBELL TECHNOLOGY PTE. LTD.

1. INTRODUCTION

The Board of Directors of Longcheer Holdings Limited (the "Company" and together with its subsidiaries, the "Group") (the "Board") refer to the announcement released by the Company on 2 June 2014 in relation to the potential acquisition of certain subsidiaries within the Group by "interested person[s]" (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Board wishes to announce that the Company has, on 24 June 2014, entered into a conditional sale and purchase agreement (the "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. (the "Target Company"), to the Purchaser (the "Proposed Disposal"), for an aggregate cash consideration of RMB240 million ("Consideration"). Further details of the principal terms of the Agreement are set out in this announcement.

As at the date of this announcement, the Company holds two (2) ordinary shares in the Target Company representing 100% of the issued and paid up capital of the Target Company (the "Sale Shares"). The Consideration is equivalent to approximately S$48.16 million based on a mutually agreed exchange rate of S$1:RMB4.983, being the average of the exchange rates over the last five (5) market days prior to the date of the Agreement ("Agreed Exchange Rate").

Upon the completion of the Proposed Disposal ("Completion"), the Target Company will cease to be a wholly-owned subsidiary of the Company. As such, this announcement is also made pursuant to Rule 704(18)(c) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Listing Manual").

The Proposed Disposal is conditional upon the Company distributing RMB450 million from (i) its total distributable profits and retained earnings; and (ii) the net proceeds from the Proposed Disposal to its shareholders (the "Shareholders"), by way of a cash dividend (the "Proposed Special Dividends").

The Proposed Disposal is conditional upon the concurrent approval by the Shareholders of the Proposed Special Dividends. If the Proposed Special Dividends is not approved by the Shareholders, then the Proposed Disposal will not proceed.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Information on the Purchaser

The Shareholders should note that information relating to the Purchaser in this paragraph and elsewhere in this Announcement was provided by the Purchaser. The Company and the Directors have not independently verified the accuracy and correctness of such information. The sole responsibility of the Directors and the Company has been to ensure that such information has been accurately and correctly extracted and/or reproduced in this Announcement in its proper form and context.

The Purchaser is a private company incorporated in the British Virgin Islands on 5 May 2014, and is a wholly-owned subsidiary of Kun Shan Long He Investment Management Co. Ltd. ( ) ("KSI"). The directors of the Purchaser are Dr. Du Junhong and Mr. Deng Hua. KSI is a private company established in the People's Republic of China. The shareholders of KSI are as follows:-

	Number of shares	Shareholding percentage
Du Junhong	1,192,500	39.75%
Xu Wenjun	622,500	20.75%
Deng Hua	360,000	12.00%
Tang Xiaoxun	300,000	10.00%
Guan Yadong	270,000	9.00%
Fan Haitao	255,000	8.50%
	3,000,000	100.00%

Dr. Du Junhong ("DJH") and Mr. Deng Hua ("DH") are Executive Directors and shareholders of the Company. Details of their shareholdings are set out in paragraph 8 below. Mr. Xu Wenjun, Mr. Tang Xiaoxun, Mr. Guan Yadong and Mr. Fan Haitao are the key management of the Group.

2.2 Information on the Target Company

The Target Company is a private company limited by shares incorporated in Singapore on 14 July 2005 with an issued and paid-up share capital of S$2 comprising two (2) ordinary shares. The Target Company is the wholly-owned subsidiary of the Company.

The Target Company and its subsidiaries (collectively, the "Target Group Companies" and individually, "Target Group Company") are principally engaged in the business of designing mobile telecommunications devices providing total design solution for all segments of the handset value chain, from hardware and software to system testing and exterior design, with a current focus of designing powerful, flexible and value oriented solutions for the 3G smartphone market. The solutions of the Target Group Companies are currently sold in four continents, including China and India.

The particulars of the Target Group Companies are set out in Appendix A of this Announcement.

3. PRINCIPAL TERMS OF THE AGREEMENT

3.1 Consideration

3.1.1 The Consideration for the Sale Shares shall be an aggregate sum of RMB240 million which was arrived at arm's length, on a willing buyer and willing seller basis, based on the adjusted proforma unaudited consolidated net asset value of the Target Group Companies calculated as at 31 March 2014 being not materially less than RMB240 million, after taking into account, amongst others, the declaration and the distribution of a proposed dividend from the Target Company to the Company ("Adjusted NAV").

3.1.2 The Consideration shall be satisfied in Singapore Dollars, based on the Agreed Exchange Rate, as follows:

(a) an amount equivalent to 10% of the Consideration ("Deposit") to be paid on the date of entry into of the Agreement;

(b) an amount equivalent to 65% of the Consideration ("Completion Amount") payable on the date falling not later than 45 days after the date on which all the conditions precedent have been satisfied or such other date as may be mutually agreed between the Purchaser and the Company ("Completion Date"); and

(c) an amount equivalent to 25% of the Consideration ("Final Payment") payable on the date on or within five (5) days after the date of the actual distribution by the Company to the Shareholders of the Proposed Second Special Dividend (as defined in Paragraph 10).

3.1.3 The Company will be commissioning a valuation report by an independent firm of professional valuers to value the business and assets of the Target Group Companies.

3.2 Conditions precedent

The obligation of the parties under the Agreement to complete the Proposed Disposal are conditional upon, inter alia, the following salient conditions being satisfied, fulfilled or waived, as the case may be, before Completion:

3.2.1 the requisite approval of the board of directors and shareholders (if required) of the Purchaser for the transactions contemplated in the Agreement having been obtained;

3.2.2 the payment of the Deposit by the Purchaser to the Company;

3.2.3 the Purchaser having obtained all approvals, waivers, filings, registrations and consents as may be necessary from any third party or governmental agency having jurisdiction over the transactions contemplated under this Agreement being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked;

3.2.4 all approvals, waivers and consents as may be necessary from any third party or governmental agency having jurisdiction over the transactions contemplated under this Agreement being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such consents or approvals are granted or obtained subject to any conditions, such conditions being acceptable to the Company, in particular:-

(a) the approval of the Shareholders being obtained at a special general meeting ("SGM") to be convened before the Completion Date for the transactions contemplated herein, including:-

(i) the Proposed Disposal; and

(ii) the Proposed Special Dividends;

(b) the approval in-principle being obtained from the SGX-ST in respect of the circular to be issued by the Company to its Shareholders in connection with the Proposed Disposal and the Proposed Special Dividends ("Circular"), and if such approval is subject to conditions, such conditions being acceptable to the Company, and such approval being in full force and effect;

3.2.5 the issue of a valuation report by an independent valuer evidencing that the Adjusted NAV is not materially less than RMB240 million; and

3.2.6 there being no material adverse change in the business, operations, assets, financial condition or prospects of the Target Group Companies on or before the Completion Date.

3.3 Intercompany loans

3.3.1 The intercompany loans between the Group (excluding the Target Group Companies) ("Post-Completion Group") and the Target Group Companies as at 31 March 2014 are set out as below:

(a) the accounts receivables owing to the Post-Completion Group by the Target Group Companies amounts to RMB307.3 million; and

(b) the accounts payables owing by the Post-Completion Group to the Target Group Companies amounts to RMB215.4 million.

(Collectively, the "Intercompany Loans".)

3.3.2 If there are any outstanding balance of the accounts receivables referred to in paragraph 3.3.1(a) above which remain uncollected or unrealized by the Post-Completion Group as at the Completion Date, the parties shall procure the payment of said accounts receivables by the Target Group Companies on or prior to the date of actual distribution by the Company of the Proposed Second Special Dividend to its Shareholders.

3.3.3 Within five (5) days after the date of Final Payment, if there are any outstanding balance of the accounts payables referred to in paragraph 3.3.1(b) above which

remain unpaid by the Post-Completion Group as at the Completion Date, the parties shall procure the payment of the said accounts payables to the Target Group Companies or set-off against the accounts receivables referred to in paragraph 3.3.2, to obtain the full and unconditional discharge of the Post-Completion Group of such Intercompany Loans.

3.4 Change of name

3.4.1 The Company shall effect (and shall procure its affiliates to effect) a change of its name with effect from the earlier of (i) the expiry of 24 months after the Completion Date; (ii) the acquisition of a new business by the Company; or (iii) at the request in writing of the Purchaser (in which case the Company shall be entitled to a period of six (6) months from the date of such written request to effect a change of its name); and

3.4.2 The Company shall take the necessary steps to seek the approval of its shareholders to change its name at the appropriate time.

3.5 Representations and warranties

Pursuant to the terms of the Agreement, the parties have furnished to each other various representations and warranties customary for transactions of a similar nature such as the Proposed Disposal.

4. RATIONALE FOR PROPOSED DISPOSAL

4.1 The Proposed Disposal will allow the Company to immediately unlock and realise the Shareholders' investment return in cash. Upon the completion of the Proposed Disposal, the net proceeds from the Proposed Disposal will provide the financial capacity for the Company to return excess cash in addition to its distributable profits and retained earnings to the Shareholders through the Proposed Special Dividends.

4.2 Accordingly, the Board believes that the Proposed Disposal is in the best interest of the Company and the Shareholders, having regard to the terms of the Proposed Disposal, the trading performance of the shares of the Company on the Mainboard of the SGX-ST ("Shares"), and the intense competition and diminishing margins in the challenging mobile handset industry.

5. PROCEEDS FROM THE PROPOSED DISPOSAL

5.1 The net proceeds from the Proposed Disposal, after deducting all costs and expenses are estimated to be approximately RMB237.3 million. For illustrative purposes only and based on the Adjusted NAV, there is no material gain or loss on the Proposed Disposal as at 31 March 2014.

5.2 The Company intends to use the net proceeds to partially fund the Proposed Special Dividends.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 General

The proforma financial effects of the Proposed Disposal on the net tangible assets ("NTA") per share and the earnings per share ("EPS") of the Group are set out below. The proforma financial effects have been prepared based on the audited consolidated financial results of the Group and the proforma unaudited consolidated financial results of the Target Group Companies for the financial year ended 30 June 2013. The proforma financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

6.2 NTA

For illustrative purposes only, the proforma financial effects of the Proposed Disposal on the Group's NTA per share, assuming that the Proposed Disposal had been completed on 30 June 2013, being the end of the most recently completed financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
NTA (RMB'000)	649,707	647,007[(2)]
Number of Shares[(1)]	352,445,350	352,445,350
NTA per Share (RMB)	1.84	1.84

Notes:

(1) Based on the number of issued Shares (excluding treasury shares) as at 31 March 2014.

(2) The NTA has been determined after taking into account the net proceeds to be received, after deducting the estimated transaction expenses.

6.3 EPS

For illustrative purposes only, the proforma financial effects of the Proposed Disposal on the consolidated earnings of the Group, assuming that the Proposed Disposal had been completed on 1 July 2012, being the beginning of the most recently completed financial year, are set out below:

	Before Proposed Disposal	After Proposed Disposal
Profits attributable to the owners of the Company (RMB'000)	59,638	10,704[(2)]
Number of Shares[(1)]	352,445,350	352,445,350
EPS (RMB cents)	16.92	3.04

Notes:

(1) Based on the number of issued Shares (excluding treasury shares) as at 31 March 2014.

(2) The profits attributable to the owners of the Company has been determined after deducting the estimated transaction expenses.

7. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

7.1 The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal, and based on the latest announced unaudited financial statements of the Group for the nine-month period ended 31 March 2014 are as follows:

Rule 1006	Bases	Relative Figures
(a)	Net asset[(1)] value of the Target Group Companies[(2)] to be disposed of, compared with the Group's net asset value	35.9%
(b)	Net profits[(3)] attributable to the Target Group to be disposed of, compared with the Group's net profits	101.1%
(c)	Aggregate value of the Consideration compared with the Company's market capitalisation[(4)]	46.3%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable to disposal of assets

Notes:

(1) Net assets means total assets less total liabilities.

(2) The aggregate book value of the Target Group Companies of RMB240 million is based on the Adjusted NAV.

(3) Net profits means profit or loss before income tax, minority interests and extraordinary items.

(4) Market capitalisation is calculated based on S$0.295 per Share, being the weighted average price of the Shares traded on 23 June 2014, multiplied by 352,445,350 Shares in issue, based on an exchange rate of S$1:RMB4.987 as at 23 June 2014 (being the last market day for which the Shares were traded prior to the day the Agreement was entered into).

7.2 As the relative figures under Rules 1006(a), (b) and (c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a "major transaction" as defined in Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders.

8. PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

8.1 DJH is a director of both the Company and the Purchaser. He is deemed interested in the Purchaser by virtue of his direct interest of 39.75% in KSI. He is also deemed interested in 69,514,321 Shares by virtue of:

8.1.1 59,818,597 Shares held by Longdu Investment Limited ("Longdu Investment") as DJH is the sole shareholder and director of Longdu Investment;

8.1.2 9,380,724 Shares held by Longpartner Investment Limited as he holds approximately 27.78% of the shares in Longpartner Investment Limited; and

8.1.3 315,000 Shares held in trust by Triple Bonus Investment Pte. Ltd. ("Triple Bonus").

8.2 DH is a director of both the Company and the Purchaser. DH is deemed interested in the Purchaser by virtue of his direct interest of 12% in KSI. He is also deemed interested in 10,189,795 Shares by virtue of:

8.2.1 8,884,795 Shares held by Mioniza Investments Limited ("Mioniza Investments") as DH is the sole shareholder and director of Mioniza Investments; and

8.2.2 1,305,000 Shares held in trust by Triple Bonus.

8.3 Accordingly, DJH and DH are "interested person[s]" as defined under Rule 904(4) of the Listing Manual. Accordingly, the Proposed Disposal constitutes an "interested person transaction" under Chapter 9 of the Listing Manual. As at the date of this announcement, an independent financial adviser has been appointed, details of which has been set out in paragraph 11 of this announcement.

8.4 Based on the Company's latest audited financial statements for FY2013, the Group's NTA amount to RMB649.7 million as at 30 June 2013. Accordingly, the Consideration constitutes 36.9% of the latest audited NTA of the Group. This exceeds 5% of the Group's latest audited NTA. Pursuant to Rule 906 of the Listing Manual, the Company will seek the approval of the Shareholders for the Proposed Disposal as an interested person transaction. Further, DJH and DH and any of their "associates" (as defined in the Listing Manual) shall not vote on the resolutions to approve the Proposed Disposal and the Proposed Special Dividends which are inter-conditional.

8.5 Save as disclosed, there are no other transactions entered into by the Group with DJH and/or DH or their associates during the current financial year which are required to be disclosed under Chapter 9 of the Listing Manual.

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 As at the date of this announcement, the interests of the Directors of the Company in the Shares as recorded in the register of directors' shareholdings of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
Director	No. of Shares	%	No. of Shares	%	No. of Shares	%
Du Junhong[(1)]	-	-	69,514,321	19.72%	69,514,321	19.72%
Deng Hua[(2)]	-	-	10,189,795	2.89%	10,189,795	2.89%
Tao Qiang[(3)]	-	-	9,404,349	2.67%	9,404,349	2.67%
David Hwang Soo Chin[(4)]	38,625	0.011%	300,000	0.09%	338,625	0.101%
Ow Chin Hock	38,625	0.011%	-	-	38,625	0.011%
See Yen Tarn	38,625	0.011%	-	-	38,625	0.011%

9.2 As at the date of this announcement, the interests of the substantial shareholders of the Company in the Shares as recorded in the register of substantial shareholders of the Company are as follows:

	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholder	No. of Shares	%	No. of Shares	%	No. of Shares	%
Longdu Investment Limited[(5)]	-	-	59,818,597	16.97%	59,818,597	16.97%
Xin Hui[(6)]	-	-	30,022,190	8.52%	30,022,190	8.52%
Tomorrow Electronic Co., Ltd[(7)]	13,932,190	3.95%	16,090,000	4.57%	30,022,190	8.52%
IDG-Accel China Growth Fund Associates L.P[(8)]	-	-	24,770,000	7.03%	24,770,000	7.03%
IDG-Accel China Growth Fund GP Associates Ltd[(9)]	-	-	24,770,000	7.03%	24,770,000	7.03%
Ho Chi Sing[(10)]	-	-	26,700,000	7.58%	26,700,000	7.58%
Zhou Quan[(11)]	-	-	25,002,000	7.09%	25,002,000	7.09%

Notes:

(1) Dr. Du Junhong is deemed to be interested in the Shares held by Longdu Investment Limited as he is the sole shareholder and director of Longdu Investment Limited. He is also deemed to be interested in the 9,380,724 Shares held by Longpartner Investment Limited as he holds approximately 27.78% of the shares in Longpartner Investment Limited. He is also deemed to be interested in the 315,000 Shares held in trust by Triple Bonus.

(2) Mr. Deng Hua is deemed to be interested in the 8,884,795 Shares held through Mioniza Investments as he is the sole shareholder of Mioniza Investments. He is also deemed to be interested in the 1,305,000 Shares held in trust by Triple Bonus.

(3) Mr. Tao Qiang is deemed to be interested in the 9,380,724 Shares held by Longpartner Investment Limited as he holds approximately 62.96% of the shares in Longpartner Investment Limited. He is also deemed to be interested in the 23,625 Shares held in trust by Triple Bonus.

(4) Mr. David Hwang Soo Chin is deemed to be interested in the 200,000 Shares held through UOB Nominees and the 100,000 Shares held by his spouse, Kok Yeow Mei Regina.

(5) Longdu Investment Limited is deemed to be interested in the 59,818,597 Shares held through DBS Nominees Pte Ltd and Raffles Nominees (Pte) Ltd.

(6) Mr. Xin Hui is deemed to be interested in the 30,022,190 Shares held by Tomorrow Electronic Co., Ltd as he is the sole shareholder of Tomorrow Electronic Co., Ltd.

(7) Tomorrow Electronic Co., Ltd is deemed to be interested in the 16,090,000 Shares held through DBS Nominees Pte. Ltd.

(8) IDG-Accel China Growth Fund Associates L.P. is deemed to be interested in the Shares held by IDG-Accel China Growth Fund L.P. and IDG-Accel China Growth Fund-A L.P. (collectively, the "IDG Accel China Growth Sub-Funds") by virtue of its power to directly or indirectly control or influence the dealings of the IDG-Accel China Growth Sub-Funds in their dealing and exercise of the Shares and the voting rights thereof.

(9) IDG-Accel China Growth Fund GP Associates Ltd is deemed to be interested in the Shares held by the IDG-Accel China Growth Sub-Funds by virtue of its power to directly or indirectly control or influence the dealings of the IDG-Accel China Growth Sub-Funds in their dealing and exercise of the Shares and the voting rights thereof.

(10) Mr. Ho Chi Sing is deemed to be interested in the Shares held by the IDG-Accel China Growth Sub-Funds and IDG-Accel China Investors L.P. by virtue of his power to directly or indirectly control or influence the dealings of the IDG-Accel China Growth Sub-Funds and IDG-Accel China Investors L.P. in their dealing and exercise of the Shares and the voting rights thereof.

(11) Mr. Zhou Quan is deemed to be interested in the Shares held by the IDG-Accel China Growth Sub-Funds and IDG-Accel China Investors L.P. by virtue of his power to directly or indirectly control or influence the dealings of the IDG-Accel China Growth Sub-Funds and IDG-Accel China Investors L.P. in their dealing and exercise of the Shares and the voting rights thereof.

10. DETAILS ON THE PROPOSED SPECIAL DIVIDENDS

10.1 Subject to the approval of the Shareholders for the Proposed Special Dividends, the Board is proposing:

(a) the declaration of a special one-tier tax exempt dividend of RMB200 million (equivalent to approximately S$0.114 per Share in the Company, based on the Agreed Exchange Rate) out of its retained earnings, to its Shareholders ("Proposed First Special Dividend"); and

(b) the declaration of a special one-tier tax exempt dividend of RMB250 million (equivalent to approximately S$0.142 per Share in the Company, based on the Agreed Exchange Rate) mainly out of the net proceeds of the Proposed Disposal less expenses and other deductibles ("Proposed Second Special Dividend").

10.2 The Proposed Special Dividends is subject to the following conditions:

(a) The approval of the Shareholders on the Proposed Disposal, as well as the Proposed Special Dividends, at the SGM;

(b) Completion of the Proposed Disposal; and

(c) The satisfaction of any regulatory approvals and/or statutory requirements which may be applicable in connection with the Proposed Special Dividends.

10.3 Shareholders who hold Shares in the share capital of the Company as at the dates on which the transfer books and register of members will be closed ("Books Closure Dates") shall be entitled to receive the Proposed Special Dividends. The Books Closure Dates for the Proposed First Special Dividend and the Proposed Second Special Dividend will be announced separately by the Company following the SGM.

10.4 The aggregate amount of cash to be paid to each Shareholder in respect of each of the Proposed Special Dividends shall be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

10.5 The Proposed Special Dividends are part of the Company's continuing effort in enhancing its Shareholders' value. The amount of the Proposed Special Dividends was arrived at based primarily on the consideration of the cash flow position of the Company and the Company has maintained sufficient cash in meeting for its daily business operations following the completion of the Proposed Disposal. The Company is proposing to fund the payment of the Proposed Special Dividends by utilising its available cash or cash equivalent resources.

11. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

11.1 The Company has appointed UOB Kay Hian Private Limited as the financial adviser to the Company in respect of the Proposed Disposal.

11.2 The Company will be appointing an independent financial adviser ("IFA") to the independent Directors of the Company ("Non-Interested Directors") in connection with the Proposed Disposal.

12. STATEMENT OF THE AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") will obtain an opinion from the IFA before forming its view as to whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders. The views of the Audit Committee will be included in the Circular.

13. SGM AND CIRCULAR TO SHAREHOLDERS

The Company will convene an SGM to seek the approval of the Shareholders for the Proposed Disposal and Proposed Special Dividends. The Circular containing, inter alia, details thereof, together with the opinions and recommendations of the Non-Interested Directors and the letter from the IFA in relation thereto, and enclosing the notice of SGM in connection therewith, will be despatched to the Shareholders in due course.

14. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement will be available for inspection during normal business hours at HEP Corporate Services Pte. Ltd., SGX Centre 2, #17-01, 4 Shenton Way Singapore 068807 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD
LONGCHEER HOLDINGS LIMITED
See Yen Tarn
Audit Committee Chairman
24 June 2014

Name	Place of incorporation/ establishment/ operation	Particulars of issued capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			Direct	Indirect	
Target Group Companies					
Mobell Technology Pte. Ltd.	Singapore	2 shares of S$1 each	100%	-	Investment holding and trading of mobile handsets
Longcheer Telecommunication (H.K.) Limited	Hong Kong	10,000 shares of HKD1 each	-	100%	Manufacturing and sales of mobile handset printed circuit and related materials
Longcheer Telecommunication Limited	Malaysia	1 share of USD1 each	-	100%	Trading of mobile handsets
Sinolong Technology (Shanghai) Co., Limited	China	Registered capital of USD2,000,000	-	100%	Mobile handset design solutions
Longcheer Technology (Shanghai) Co., Limited	China	Registered capital of USD27,000,000	-	100%	Mobile handset design solutions, trading of mobile handsets and property investment
Shanghai Mobell Technology Co., Limited	China	Registered capital of RMB18,000,000	-	80%	Development, sales and distribution of mobile handsets
Longcheer Electronics (Huizhou) Co., Limited	China	Registered capital of USD4,000,000	-	100%	Manufacturing and sales of mobile handsets and related materials
Huizhou Longhe Industries Co., Limited	China	Registered capital of RMB25,000,000	-	100%	Property holding

Shanghai Mobell Software Technology Co., Limited	China	Registered capital of RMB10,000,000	-	80%	Mobile handset design solutions, development and trading of mobile handsets
<u>Post-Completion Subsidiaries</u>					
Longcheer International Pte. Ltd.	Singapore	2 shares of S$2 each	100%	-	Investment holding and trading of mobile handsets
Longcheer Industries (Xi 'an) Co., Limited	China	Registered capital of USD5,000,000	-	100%	Investment holding
Xi 'an Longfei Software Co., Limited	China	Registered capital of RMB40,000,000	-	100%	Property investment
Longcheer Technology (India) Pvt. Limited	India	2,500,000 shares of 10 Rs each	-	100%	Value-added services
Longcheer Technology (Singapore) Pte. Ltd.	Singapore	1,000,100 shares of S$1 each	-	100%	Research and experimental development