



LONGCHEER HOLDINGS LIMITED

Incorporated in Bermuda
Company Registration No. 35673

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 31 MARCH 2016

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

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

Group Income Statement for the 3rd quarter ended 31 March 2016. These figures have not been audited.

Income Statement For 3rd Quarter

	<-----The Group----->					
	FY2016 3 rd Qtr	FY2015 3 rd Qtr		FY2016 9 months	FY2015 9 months	
	1 Jan 16 to 31 Mar 16	1 Jan 15 to 31 Mar 15	+/(-)	1 Jul 15 to 31 Mar 16	1 Jul 14 to 31 Mar 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operation						
Revenue	3,307	2,853	16	8,706	8,801	-1
Cost of sales	(888)	(835)	6	(2,206)	(2,244)	-2
Gross profit	2,419	2,018	20	6,500	6,557	-1
Other gains and losses	(2,682)	(1,248)	115	(4,109)	(4,750)	-13
Administrative expenses	(2,868)	(2,186)	31	(7,899)	(7,253)	9
Share of results of associates	-	1,533	-100	10,077	9,176	10
(Loss) / profit before income tax	(3,131)	117	nm	4,569	3,730	22
(Loss) / profit for the period from continuing operation	(3,131)	117	nm	4,569	3,730	22
Discontinued operation						
Profit for the period from discontinued operation, after tax	-	-	nm	-	36,321	-100
(Loss) / profit for the period	(3,131)	117	nm	4,569	40,051*	-89
(Loss) / profit for the period attributable to:						
Owners of the Company	(3,131)	117	nm	4,569	40,051	-89
Non-controlling interests	-	-	nm	-	-	nm
	(3,131)	117	nm	4,569	40,051	-89

*Including the reclassification adjustment on disposal of subsidiaries under other comprehensive income of RMB29,132,000, profit for the period amounted to RMB10,919,000.



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<-----The Group----->

	FY2016 3rd Qtr	FY2015 3rd Qtr		FY2016 9 months	FY2015 9 months	
	1 Jan 16 to 31 Mar 16	1 Jan 15 to 31 Mar 15	+/(-)	1 Jul 15 to 31 Mar 16	1 Jul 14 to 31 Mar 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operation						
(Loss) / profit for the period attributable to:						
Owners of the Company	(3,131)	117	nm	4,569	3,730	22
Non-controlling interests	-	-	nm	-	-	nm
	(3,131)	117	nm	4,569	3,730	22
Discontinued operation						
Profit for the period attributable to:						
Owners of the Company	-	-	nm	-	36,321	-100
Non-controlling interests	-	-	nm	-	-	nm
	-	-	nm	-	36,321	-100

Statement of Comprehensive Income

<-----The Group----->

	FY2016 3rd Qtr	FY2015 3rd Qtr		FY2016 9 months	FY2015 9 months	
	1 Jan 16 to 31 Mar 16	1 Jan 15 to 31 Mar 15	+/(-)	1 Jul 15 to 31 Mar 16	1 Jul 14 to 31 Mar 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
(Loss) / profit for the period	(3,131)	117	nm	4,569	40,051	-89
Other comprehensive income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
Change in fair value on available-for-sale financial assets	(438)	-	nm	(438)	(411)	7
Currency translation						
- Group	(280)	540	nm	2,304	1,293	78
- Associates	-	163	-100	2,740	(204)	nm
- Available-for-sale financial assets	-	-	nm	-	8	-100
Reclassification adjustment						
- Disposal of interests in associates	890	-	nm	890	-	nm
- Disposal of subsidiaries	-	-	nm	-	(29,132)	-100
Other comprehensive income for the period, net of tax amounting to nil	172	703	-76	5,496	(28,446)	nm
Total comprehensive income for the period	(2,959)	820	nm	10,065	11,605	-13
Total comprehensive income attributable to:						
Owners of the Company	(2,959)	820	nm	10,065	11,605	-13
Non-controlling interests	-	-	nm	-	-	nm
	(2,959)	820	nm	10,065	11,605	-13

nm: Not meaningful / material



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Notes:

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

	<-----The Group----->					
	FY2016	FY2015		FY2016	FY2015	
	3rd Qtr	3rd Qtr		9 months	9 months	
	1 Jan 16 to	1 Jan 15 to	+/(-)	1 Jul 15 to	1 Jul 14 to	+/(-)
	31 Mar 16	31 Mar 15		31 Mar 16	31 Mar 15	
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Continuing operation						
(a) Interest income	140	265	-47	291	335	-13
(b) Amortisation of intangible assets	-	-	nm	-	(5)	-100
(c) Depreciation of property, plant and equipment	(11)	(10)	10	(32)	(31)	3
(d) Gain on disposal of property, plant and equipment	-	24	-100	-	24	-100
(e) Foreign exchange gain / (loss)	50	(1,537)	nm	(1,967)	(5,385)	-63
(f) Loss on disposal of interests in associates	(1,978)	-	nm	(1,978)	-	nm
(g) Reversal of equity-settled share-based payment expense	-	-	nm	-	273	-100
Discontinued operation						
(a) Interest income	-	-	-	-	7,857	-100
(b) Interest income on other receivables	-	-	-	-	791	-100
(c) Interest expenses	-	-	-	-	(150)	-100
(d) Amortisation of land use rights	-	-	-	-	(67)	-100
(e) Amortisation of intangible assets	-	-	-	-	(434)	-100
(f) Depreciation of property, plant and equipment	-	-	-	-	(1,891)	-100
(g) Foreign exchange loss	-	-	-	-	(398)	-100
(h) Loss on disposal of property, plant and equipment	-	-	-	-	(8)	-100
(i) Gain on disposal of subsidiaries	-	-	-	-	25,730	-100
(j) Allowance for and write down of inventories	-	-	-	-	(12,565)	-100

- (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 Mar 16	As at 30 Jun 15	As at 31 Mar 16	As at 30 Jun 15
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	44	59	-	-
Investment properties	110,000	110,000	-	-
Interests in subsidiaries	-	-	_*	_*
Interests in associates	-	83,797	-	-
Available-for-sale financial assets	87,226	-	-	-
	197,270	193,856	-	-
Current assets				
Cash and deposit balances	43,057	39,937	25,737	29,337
Financial assets at fair value through profit or loss	11,100	7,500	-	-
Available-for-sale financial assets	10,000	10,000	-	-
Amounts due from subsidiaries	-	-	164,552	155,654
Other receivables	1,037	812	-	-
	65,194	58,249	190,289	184,991
Current liabilities				
Amounts due to subsidiaries	-	-	8,723	8,253
Other payables	17,320	17,026	1,723	2,092
	17,320	17,026	10,446	10,345
Net current assets	47,874	41,223	179,843	174,646
Net assets	245,144	235,079	179,843	174,646
EQUITY				
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	269,578	259,513	204,277	199,080
	245,144	235,079	179,843	174,646
Non-controlling interests	-	-	-	-
Total equity	245,144	235,079	179,843	174,646

*Denotes a figures less than RMB 1,000.



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

There was no borrowing of the Company and the Group as at 30 June 2015 and 31 March 2016.

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 3rd Quarter Ended 31 March

	<-----The Group----->			
	FY2016 3 rd Qtr	FY2015 3 rd Qtr	FY2016 9 months	FY2015 9 months
	1 Jan 16 to 31 Mar 16	1 Jan 15 to 31 Mar 15	1 Jul 15 to 31 Mar 16	1 Jul 14 to 31 Mar 15
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flow from operating activities:				
(Loss) / profit before income tax				
From continuing operation	(3,131)	117	4,569	3,730
From discontinued operation	-	-	-	37,421
Adjustments for:				
Interest income	(140)	(265)	(291)	(8,192)
Interest income on other receivables	-	-	-	(791)
Interest expenses	-	-	-	150
Allowance for and write down of inventories	-	-	-	12,565
Amortisation of land use rights	-	-	-	67
Amortisation of intangible assets	-	-	-	439
Depreciation of property, plant and equipment	11	10	32	1,922
Gain on disposal of property, plant and equipment	-	(24)	-	(16)
Exchange difference	(50)	1,537	1,967	5,783
Share of results of associates	-	(1,533)	(10,077)	(9,176)
Gain on disposal of subsidiaries	-	-	-	(25,730)
Loss on disposal of interests in associates	1,978	-	1,978	-
Reversal of equity-settled share-based payment expense	-	-	-	(273)
Operating cash flows before movements in working capital	(1,332)	(158)	(1,822)	17,899
Decrease / (increase) in trade and note receivables	-	391	-	(46,537)
Decrease / (increase) in other receivables and trade deposits paid to suppliers	214	(451)	(169)	(62,927)
Increase in inventories	-	-	-	(162,726)
Increase in trade and bill payables	-	-	-	146,292
Increase / (decrease) in other payables and trade deposits received from customers	1,204	(17)	294	120,628
Cash generated from / (used in) operations	86	(235)	(1,697)	12,629
Interest paid	-	-	-	(150)
Income tax refund	-	-	-	2



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	<-----The Group----->			
	FY2016	FY2015	FY2016	FY2015
	3rd Qtr	3rd Qtr	9 months	9 months
	1 Jan 16 to	1 Jan 15 to	1 Jul 15 to	1 Jul 14 to
	31 Mar 16	31 Mar 15	31 Mar 16	31 Mar 15
	RMB'000	RMB'000	RMB'000	RMB'000
Net cash generated from / (used in) operating activities	86	(235)	(1,697)	12,481
Cash flow from investing activities:				
Interest received	84	181	235	9,151
Proceeds from disposal of property, plant and equipment	-	48	-	78
Purchase of property, plant and equipment	-	-	(16)	(10,637)
Purchase of intangible assets	-	-	-	(52)
Dividend received from associates	-	7,364	-	7,364
Dividend received from available-for-sale financial assets	7,862	-	7,862	-
Proceed from disposal of interests in associates	-	-	-	15,040
(Acquisition) / redemption of financial assets at fair value through profit or loss	(890)	-	(3,600)	23,380
Disposal of subsidiaries (net of cash and cash equivalents disposed)	-	-	-	151,515
Decrease in restricted bank balances and pledged deposits	-	-	-	70,174
Net cash generated from investing activities	7,056	7,593	4,481	266,013
Cash flow from financing activities:				
Dividends paid	-	-	-	(445,150)
Net cash used in financing activities	-	-	-	(445,150)
Net increase / (decrease) in cash and cash equivalents	7,142	7,358	2,784	(166,656)
Cash and cash equivalents at the beginning of the financial period	35,713	48,122	39,505	226,151
Effect of foreign exchange rate changes, net	(230)	(997)	336	(5,012)
Cash and cash equivalents at the end of the financial period	42,625	54,483	42,625	54,483
Analysis of cash and cash equivalents				
Cash and cash equivalents	42,625	54,483	42,625	54,483
Fixed bank deposits with an original maturity of more than 3 months	432	1,556	432	1,556
Cash and deposit balances	43,057	56,039	43,057	56,039



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Notes:

Gain for the period from discontinued operation

	<-----The Group----->					
	FY2016	FY2015		FY2016	FY2015	
	3 rd Qtr	3 rd Qtr		9 months	9 months	
	1 Jan 16 to	1 Jan 15 to		1 Jul 15 to	1 Jul 14 to	
	31 Mar 16	31 Mar 15	+/(-)	31 Mar 16	31 Mar 15	+/(-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	-	-		-	1,356,382	-100
Cost of sales	-	-		-	(1,313,665)	-100
Gross profit	-	-		-	42,717	-100
Other income	-	-		-	3,840	-100
Distribution costs	-	-		-	(6,647)	-100
Administrative expenses	-	-		-	(36,292)	-100
Other operating expenses	-	-		-	(425)	-100
Finance income	-	-		-	8,648	-100
Finance costs	-	-		-	(150)	-100
Profit before income tax	-	-		-	11,691	-100
Income tax expense	-	-		-	(1,100)	-100
	-	-		-	10,591	-100
Gain on disposal of subsidiaries	-	-		-	25,730	-100
Gain for the period from discontinued operations	-	-		-	36,321	-100
Gain for the period attributable to:						
Owners of the Company	-	-		-	36,321	-100
Non-controlling interests	-	-		-	-	nm
	-	-		-	36,321	-100



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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						
	Share capital	Treasury shares	Share premium	Available-for-sale financial assets revaluation reserve	Translation reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 Jan 2016	65,608	(90,042)	138,818	-	(74,932)	208,651	248,103
Loss for the period	-	-	-	-	-	(3,131)	(3,131)
Other comprehensive income							
-Currency translation							
- Group	-	-	-	-	(280)	-	(280)
- Available-for-sale financial assets	-	-	-	(438)	-	-	(438)
-Reclassification adjustment							
- Disposal of interests in associates	-	-	-	-	890	-	890
Total comprehensive income for the period	-	-	-	(438)	610	(3,131)	(2,959)
Balance at 31 Mar 2016	65,608	(90,042)	138,818	(438)	(74,322)	205,520	245,144

	Share capital	Treasury shares	Share premium	Translation reserve	Property revaluation reserve	Retained earnings	Total
	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	RMB'000
Balance at 1 Jan 2015	65,608	(90,042)	138,818	(80,348)	6,775	209,560	250,371
Profit for the period	-	-	-	-	-	117	117
Other comprehensive income							
-Currency translation							
- Group	-	-	-	540	-	-	540
- Associates	-	-	-	163	-	-	163
Total comprehensive income for the period	-	-	-	703	-	117	820
Balance at 31 Mar 2015	65,608	(90,042)	138,818	(79,645)	6,775	209,677	251,191



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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	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 Jan 2016	65,608	(90,042)	138,818	(73,806)	141,203	181,781
Loss for the period	-	-	-	-	(1,040)	(1,040)
Other comprehensive income						
-Currency translation	-	-	-	(898)	-	(898)
Total comprehensive income for the period	-	-	-	(898)	(1,040)	(1,938)
Balance at 31 Mar 2016	65,608	(90,042)	138,818	(74,704)	140,163	179,843
Balance at 1 Jan 2015	65,608	(90,042)	138,818	(84,384)	147,355	177,355
Loss for the period	-	-	-	-	(2,150)	(2,150)
Other comprehensive income						
-Currency translation	-	-	-	671	-	671
Total comprehensive income for the period	-	-	-	671	(2,150)	(1,479)
Balance at 31 Mar 2015	65,608	(90,042)	138,818	(83,713)	145,205	175,876

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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.**

The share consolidation of every ten (1) existing issued ordinary shares into one (1) ordinary share was completed and effective as at 9.00 a.m. on 5 November 2015. After the share consolidation exercise, the issued share capital of the Company comprises of 39,666,395 ordinary shares.

As at 31 March 2016, the Company held 4,421,875 (31 March 2015: 44,218,750*) treasury shares. There were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 March 2016.

As at 31 March 2016, there were nil (31 March 2015: nil) 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.

On 10 November 2014, the board of directors of the Company announced that the shares under the remaining Awards which vested on 4 February 2015 and due to be vested on 4 February 2016 will no longer be issued and/or transferred to Participants.

**Before share consolidation of every ten (10) existing issued ordinary shares into one (1) ordinary shares on 5 November 2015.*

- 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 Mar 16	As at 30 Jun 15
Issued shares	39,666,395	396,664,100*
Less: Treasury shares	(4,421,875)	(44,218,750)*
Total number of issued shares excluding treasury shares	35,244,520	352,445,350*

**Before share consolidation of every ten (10) existing issued ordinary shares into one (1) ordinary shares on 5 November 2015.*

- 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.



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

Not applicable.

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 2015.

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----->			
	FY2016 3 rd Qtr RMB cents	FY2015 3 rd Qtr RMB cents (restated)	FY2016 9 months RMB cents	FY2015 9 months RMB cents (restated)
Earnings per share				
-continuing operation	(8.88)	0.33	12.96	10.58
-continuing and discontinued operations	(8.88)	0.33	12.96	113.64
Weighted average number of shares	35,244,520*	35,244,520*	35,244,520*	35,244,520*

**The weighted average number of ordinary shares of both periods for the purpose of basic and diluted earnings per share have been adjusted for the issue of shares during the periods then ended and consolidation of share being completed on 5 November 2015 as if the consolidation was effective from the beginning of the year ended 30 June 2015.*

There was no dilutive potential ordinary share. There is no dilution effect from contingently issuable shares arising from the share awards as the share awards plan has been cancelled on 10 November 2014 by the board of directors of the Company.

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 Mar 16 RMB cents	As at 30 Jun 15 RMB cents (restated)	As at 31 Mar 16 RMB cents	As at 30 Jun 15 RMB cents (restated)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	695.55	666.99	510.27	495.53
Number of shares (excluding treasury shares)	35,244,520	35,244,520*	35,244,520	35,244,520*



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**The number of ordinary shares of both periods for the purpose of basic and diluted earnings per share have been adjusted for the issue of shares during the periods then ended and consolidation of share being completed on 5 November 2015 as if the consolidation was effective from the beginning of the year ended 30 June 2015.*

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. Since then, revenue of the Group mainly comprised of rental income derived from investment property in Xi'an.

Revenue

Revenue increased to RMB3.3 million in Q3 FY16 compared to RMB2.9 million in Q3 FY15. 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 RMB2.4 million in Q3 FY16 compared to RMB2.0 million in Q3 FY15. Correspondingly, gross profit margin for Q3 FY16 increased to 73% compared to 71% in Q3 FY15. The increase was due to the increase in average rental rate upon renewal of expired lease agreements.

Administrative expenses

Administrative expenses increased from RMB2.2 million in Q3 FY15 to RMB2.9 million in Q3 FY16 mainly due to the increase in maintenance costs associated with the collapse of the annex to the building located at Longcheer Science & Technology Park, Xi'an City, People's Republic of China.

Other gains and losses

Other gains and losses increased from RMB1.2 million in Q3 FY15 to RMB2.7 million in Q3 FY16 mainly attributable to the reclassification of Mentech from associates to available-for-sale financial assets with effective from 1 Jan 2016.



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Balance Sheet

(31 March 2016 compared to 30 June 2015)

After completion of the Disposal, the business of the Group are 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.

Available-for-sale financial assets

Mentech Group was classified as available-for-sale financial asset with effect from 1 Jan 2016, amounting to RMB87.2 million.

Cash and deposit balances

Cash and deposit balances increased from RMB39.9 million as at 30 June 2015 to RMB43.1 million as at 31 March 2016 mainly due to the Group received dividend of RMB7.9 million from its available-for-sale financial asset, Mentech.

Other payables

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

Cash Flow

For Q3 FY16, the Group recorded net cash generated from operating activities of RMB86,000.

For Q3 FY16, the Group purchased financial assets of RMB890,000.

During the quarter, the Group received dividend of RMB7.9 million from its available-for-sale financial asset, Mentech.

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.



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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.

The Group was principally engaged in the business of investment in property and available-for-sale financial asset, Mentech, as such, the business of the Group will be affected by property leasing environment in the PRC and the performance of Mentech.

On 12 June 2015, the Company 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. of 51 ordinary shares representing 51% of the entire issued and paid-up share capital of Twin Prosperity Group Ltd, together with its subsidiaries. The MOU had lapsed on 31 December 2015.

On 21 April 2016, the Company has been approached by interested person (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited) in connection with a potential acquisition of an associated company within the Group. Discussions are preliminary and there is no certainty or assurance whatsoever that these discussions will result in any transaction.

Going forward, save as disclosed above, the Board will also consider all available options to the Company which are in the interests of the shareholders. 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 March 2016, to be false or misleading in any material aspect.

15. Undertakings Confirmation pursuant to Rule 720(1)

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Dr Du Junhong
Executive Chairman

13 May 2016