LONGCHEER HOLDINGS LIMITED
Incorporated in Bermuda
Company Registration No. 35673

INCIDENT AT THE ANNEX OF THE BUILDING LOCATED AT XI'AN, PEOPLES' REPUBLIC OF CHINA

The Board of Directors (the "**Board**") of Longcheer Holdings Limited (the "**Company**" or "**Group**") wishes to inform the shareholders that on 29 July 2015, the Annex ("**Annex**") to the building located at Longcheer Science & Technology Park, Xi'an City, Peoples' Republic of China ("**Property**") had collapsed.

The Property is registered under the name of Xi'an Longfei Software Co., Limited (西安龙飞软件有限公司) which is a wholly-owned subsidiary of the Company. The Property comprises fifteen (15) levels with a total floor area of 14,872.47 square meters, and is currently being rented out to several tenants. The Annex comprises two levels with a total floor area of 512 square meters. Despite the use of the Property for rental purposes, the Annex was left vacant, at the time of the incident. No one was thus injured in the incident.

Despite the incident, business operations of the Property remain unaffected and continuing. All staff is accounted for and is safe. The final cost impact is not known at this stage and the Company is not in a position to estimate any figure until more details are known. The incident is not expected to have any material impact on the Group's overall operations and financial performance.

The Group is working closely with the authorities as to the cause of the incident, and will make further announcements as and when necessary.

BY ORDER OF THE BOARD
LONGCHEER HOLDINGS LIMITED

Dr Du Junhong
Executive Chairman
13 August 2015