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**PROPOSED CONSOLIDATION OF EVERY TEN (10) SHARES INTO ONE (1) POST-CONSOLIDATION SHARE**

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**1. INTRODUCTION**

The board of directors ("**Board**") of Longcheer Holdings Limited ("**Company**"), wishes to announce that the Company proposes to undertake a share consolidation ("**Proposed Share Consolidation**") of every ten (10) ordinary shares in the issued and unissued share capital of the Company ("**Shares**") registered in the name of each shareholder of the Company ("**Shareholder**") as at a books closure date to be determined by the Directors ("**Books Closure Date for the Proposed Share Consolidation**") into one (1) post-consolidation share ("**Post-Consolidation Share**").

**2. THE PROPOSED SHARE CONSOLIDATION**

**2.1 Rationale for the Proposed Share Consolidation**

The Proposed Share Consolidation will facilitate compliance with the continuing listing requirement imposed by Singapore Exchange Securities Trading Limited ("**SGX-ST**") for issuers listed on the SGX-ST Mainboard to have a minimum trading price per share of S\$0.20 ("**MTP Requirement**")

For the past six (6) months prior to the date of this Announcement, the absolute price of the Shares had traded in a range between 0.066 Singapore cents and 0.118 Singapore cents. The volume weighted average price of the Shares was S\$0.1071. The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month, up to the Latest Practicable Date, are as follows:

	<b>Lowest (Singapore cents)</b>	<b>Highest (Singapore cents)</b>	<b>Volume of traded shares (‘000)</b>	<b>Percentage fluctuation between the lowest and highest market price (%)</b>
March 2014	0.08	0.09	930.9	12.5
April 2015	0.075	0.088	2,322.7	17.3
May 2015	0.072	0.105	4,002.4	45.8
June 2015	0.085	0.107	3,910.8	25.9
July 2015	0.086	0.118	43,987.7	37.2
August 2015	0.066	0.092	2,651.5	39.4

Source: SGX-ST

The theoretical adjusted six (6)-month volume weighted average price of the Post-Consolidation Share is S\$1.071.

In light of the above, the Company proposes to undertake the Proposed Share Consolidation to comply with the MTP Requirement.

**Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this paragraph 2.1, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

## 2.2 Details

Under the Proposed Share Consolidation, every ten (10) Shares registered in the name of each Shareholder as at the Books Closure Date for Proposed Share Consolidation will be consolidated into one (1) Post-Consolidation Share.

**Shareholders should note that the number of Post-Consolidation Shares which they will be entitled to resulting from the Proposed Share Consolidation, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Post-Consolidation Share and any fractions of Post-Consolidation Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net proceeds for the benefit of the Company.**

Each Post-Consolidation Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Post-Consolidation Shares.

As at the date of this Announcement, the Company has an issued and paid-up capital of US\$7,048,907 (approximately RMB44,952,289.7) comprising 352,445,350 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of issued and paid-up capital of US\$7,048,907 (approximately RMB44,952,289.7) comprising 35,244,535 Post-Consolidation Shares.

**The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.**

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the special general meeting ("**SGM**"), Shareholders' holdings of the Post-Consolidation Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date for Proposed Share Consolidation.

The Proposed Share Consolidation is not expected to cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to fractional rounding.

## 2.3 Approvals

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the SGX-ST's approval for the dealing in, listing of, and quotation for, the Post-Consolidation Shares on the SGX-ST; and

- (b) the Shareholders' approval for the Proposed Share Consolidation being obtained at an SGM of the Company to be convened.

An application will be made to the SGX-ST for permission for dealing in, listing of, and quotation for, the Post-Consolidation Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

### **3. CIRCULAR TO SHAREHOLDERS**

Subject to approval from, SGX-ST, a circular setting out, amongst other things, details of the Proposed Share Consolidation and enclosing a notice convening an SGM to seek Shareholders' approval of the Proposed Share Consolidation, will be despatched to Shareholders in due course.

### **4. ANNOUNCEMENTS**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

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

Dr Du Junhong  
Executive Chairman  
22 September 2015