

## **To the Shareholders of Cedar Strategic Holdings Ltd**

Our Dear Shareholders,

We are the new directors of the Company.

We thought it would be useful to write to you to explain what we have done, why we did it and what else we would like to do.

We comprise three professionals. We became involved in the Company because one of us, Mr. Christopher Chong with an interest in 277 million shares in the Company, was alarmed at developments that were unfolding at the Company and believed that if we acted, we would be able to preserve and perhaps enhance shareholder value.

We therefore sought, through a Requisition and an EGM, to replace the previous board of directors. Following the Requisition and notification for an EGM, the previous board of directors agreed to appoint us as the new directors and to resign. Thus the EGM was no longer required. As a consequence, a notice was issued to inform all shareholders that the Requisition had been withdrawn.

We have been taking stock of the Company. There is much to do. Regretfully, the one thing we are not in a position to do yet is to apply for the resumption of share trading. This is because we need to:

- i. Meet the requirement set out in the announcement of 14 April 2015 to appoint “an independent auditor to conduct a special audit to, inter alia, review and/or ascertain (as the case may be) the accounts and transactions of the Group, and whether there are any irregularities in the accounts and transactions of the Group for the Financial Year Ended 31 December 2013 (“FY2013”) and Financial Year Ended 31 December 2014 (“FY2014”);
- ii. Finalize and agree the FY2014 accounts with the Company’s Auditors and to lodge and release them;
- iii. Prepare, print and issue the FY2014 Annual Report;
- iv. Prepare, finalize and issue the 1Q 2015 unaudited results;
- v. Prepare, finalize and issue the 2Q 2015 unaudited results;
- vi. Appoint executive management to run the business;
- vii. Further strengthen the board of the Company, review the internal controls and re-establish the corporate governance of the Company;

- viii. Give notice to all shareholders and call an AGM upon the completion of items (i), (ii) and (iii) of this paragraph; and
- ix. Raise monies to fund the above and to fund growth.

At the time of writing this letter to you, we have agreed on a scope of work with Baker Tilly Consultancy (Singapore) Pte Ltd who will be undertaking the Special Audit. The Special Auditor will focus on material disbursements by the Company and its subsidiaries for FY2013 and FY2014. Please see the separate announcement released by the Company in relation to the appointment of the Special Auditor for further information on the same.

Due to the inability to access sufficient documents of Trechance Holdings Limited ("**Trechance**"), our auditors have warned us that they may have to qualify or disclaim part of the FY2014 financial statements. In the event that any part of the FY2014 financial statements are qualified or disclaimed, the Board is likely to ask the auditors to undertake a non-statutory audit for 2015 prior to the 31 December 2015 year end to: give comfort to those stakeholders who will be providing us with capital; and as evidence that our actions to regularize the finances and financial statements of the Company have been successful.

In the meantime, we have made an offer to, and hope to be able to announce the appointment of, a Chief Operating Officer ("**COO**") and have commenced the search for a Chief Financial Officer. Our offer has been made to a professional with some 24 years of experience. Our preferred COO is a Certified Asset Appraiser in China, a senior member of the professional Managers of Real Estate in China (中国房地产职业经理人) and a registered Real Estate Agent. The new COO will review our investments and businesses as represented by Trechance and Futura Asset Holdings Pte Ltd. Our new COO, and the team he will appoint, will also look at acquisitions of new assets or businesses, in particular, property and/or infrastructure opportunities being shown to us through our network of business associates, some of which look very promising.

To fund the existing liabilities and ongoing costs, we have been able to persuade four investors to sign two Investment Agreements and two Subscription Agreements. The Investment Agreements will provide us with an immediate \$2.09 million (gross proceeds). Barring unforeseen circumstances, we believe this should be enough to meet all debts and pay for the extensive actions required to apply for the resumption of share trading. The two Subscription Agreements will allow us to raise \$2.47 million (gross proceeds) thereby providing us with credibility when we look at and discuss the property and/or infrastructure opportunities being shown to us. Completion of the Subscription Agreements, and the subscription monies made available to us, will only take place after certain conditions precedent are met. Subject to shareholders' approval, the monies from the Investment Agreements shall be repaid by conversion into new shares of the Company at \$0.0022 per share or about a 10% premium to the pre-suspension share price. Subject to shareholders' approval, the Subscription Shares will be issued to the placees under the Subscription Agreement at \$0.0026 per shares or about a 30% premium to the pre-

suspension share price. We believe the proposed share price premium differential is fair as the monies of the Investment Agreements can be drawn down as soon as next week. Please see the separate announcement released by the Company in relation to the Investment Agreements and Subscription Agreements for further information on the same.

Prior to the AGM, we hope to have in place a strategic plan for the reconstruction of shareholder value. This is because we would like to share with you this plan, and to explain why we believe it will add value to shareholders and how we intend to fund this.

Whilst we cannot be assured that our actions to re-enhance shareholder value will be successful, you can be assured that we have already been doing, and will continue to do, our best.

Thank you for reading this.

Warmest Regards

Christopher Chong, Chairman  
Tan Thiam Hee, AC Chairman  
Peter Tan, NCGC and RC Chairman

3 July 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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