



Cedar Strategic Holdings Ltd.

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NEWS RELEASE

CEDAR STRATEGIC TO ACQUIRE LEADING GUIZHOU PROPERTY PLAYER HUA CHENG GROUP FOR S\$936.2 MILLION

- ***Cedar Strategic to emerge as a regional real estate group, with significant property interests in Guizhou Province, the PRC, with a realisable net asset value of approximately RMB6.7 billion;***
- ***Entered into conditional Sale and Purchase Agreement for the transaction on May 22, 2013.***

Singapore, May 22, 2013 – Cedar Strategic Holdings Ltd. (“Cedar Strategic” and together with its subsidiaries, the “Group”), today announced the proposed acquisition of the entire issued share capital of Trechance Holdings Limited (“Trechance”) and its subsidiaries (“collectively, the “Hua Cheng Group”), furthering the Group’s ambitions to establish itself as a regional real estate player, with significant property interests in the world’s second largest economy, the People’s Republic of China (the “PRC”).

A leading property player in Guizhou Province, the Hua Cheng Group (“Hua Cheng”) has completed over twelve property developments to date, and is one of the major property developers based in the province. For the financial year ended December 31, 2012 (“FY2012”), Hua Cheng recorded unaudited consolidated revenue of approximately RMB103.5 million and a consolidated profit after tax of approximately RMB43.4 million. Properties held for investment under Hua Cheng generated rental income of RMB85.0 million in FY2012. Hua Cheng has an estimated gross floor area (“GFA”) of over 4.9 million square metres (“sqm”) for development in its land bank, which consists of properties under development and/or held for future development.

Dr Charlie In, Executive Chairman of Cedar Strategic, said, “We are truly excited with this catalytic transaction, which will successfully transform the Group into a significant regional property player. The acquisition of Hua Cheng’s property businesses complements our current property portfolio in Singapore, and is expected to generate stable income revenue streams going forward, driving value for our shareholders over the longer term.

China continues to be a bright spot both in Asia and the world’s economy, and with an increasingly affluent population that purchases additional homes for investment or leisure, we believe our acquisition of the Hua Cheng Group will provide a suitable platform for the Group to participate in earnings accretive real estate opportunities in Guizhou and eventually, other cities in the PRC.”

Demographically one of the PRC’s most diverse provinces, Guizhou Province is located in the south-western part of the country, and covers an area of over 176,167 square kilometres. Underpinned by thriving tourism, energy and agricultural industries, Guizhou’s economy continues to be well-supported by an abundance of natural resources.¹

In 2012, Guizhou recorded a gross domestic product (“GDP”) growth of 13% – one of the highest in the PRC, ending the year with GDP of RMB680 billion.² The local government has set a GDP growth target of 14% per annum over the next five years and estimates that RMB1 trillion will be invested in the province to strengthen infrastructure construction this year.³

¹ <http://en.wikipedia.org/wiki/Guizhou>; <http://www.chinatoday.com/city/guizhou.htm>;

<http://www.thechinaperspective.com/topics/province/guizhou-province/>

² <http://www.china-briefing.com/news/2013/05/16/chinas-provincial-gdp-figures-in-2012.html>

³ http://www.china.org.cn/china/NPC_CPPCC_2013/2013-03/07/content_28159802.htm

The Transaction

Cedar Strategic has entered into a conditional sale and purchase agreement (“SPA”) with Talented Creation International Limited (the “Vendor”) to acquire Trechance (the “Proposed Acquisition”) for a consideration of S\$936.2 million (the “Consideration”), Trechance being the legal and beneficial owner of Hua Cheng. The Consideration will be satisfied by the issuance of 46,810,600,000 new shares (the “Consideration Shares”) to the Vendor at an issue price of S\$0.02 (the “Issue Price”) per Consideration Share, on a pre-share consolidation basis.

The final Consideration shall be fixed at 70% of the realisable net asset value (“RNAV”) of Hua Cheng as at June 30, 2013, as determined by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent market valuer appointed at Cedar Strategic’s discretion. The Issue Price and number of Consideration Shares will be adjusted accordingly. (Refer to Paragraph 3.2 of accompanying announcement for calculation formula.) The indicative RNAV of Hua Cheng was approximately RMB6.7 billion (approximately S\$1.3 billion)⁴ as at November 30, 2012.

In conjunction with the Proposed Acquisition, the Group proposes to undertake a share consolidation (the “Proposed Share Consolidation”) – ratio and time to be determined by the Board – to increase the Issue Price for each Consideration Share to S\$0.20, in compliance with Rule 1015(3)(c) of the Listing Manual.

The Group intends to seek Shareholders’ approval for the Proposed Acquisition, at an extraordinary general meeting to be convened.

⁴ At an exchange rate of S\$1.00 : RMB5.00

About Cedar Strategic Holdings Ltd.

Listed on the Catalist of the Singapore Exchange Securities Trading Limited, Cedar Strategic Holdings Ltd. was incorporated in Singapore on 17 October 1980. Cedar Strategic currently owns Yess Le Green Pte. Ltd. ("YLG") and West Themes Pte. Ltd. ("WT"), two companies in the real estate industry principally engaged in the business of asset management. YLG and WT specialize in the enhancement of assets, refurbishment and leasing of commercial properties in Singapore. YLG also operates a student hostel on one of its properties. Cedar Strategic has also completed the purchase of a 25% economic interest in a piece of land in Kaiyang County, Guizhou Province in the People's Republic of China.

In line with the Group's ongoing business transformation, Cedar Strategic has plans to acquire the Hua Cheng Group, a major real estate group based in Guizhou Province, which has a track record of over 20 years in the development of residential and commercial properties. Going forward, the Group will focus on expanding its footprint in the real estate sector in China, Singapore and in the region, striving to maximize Shareholders' value in the longer term.

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