CEDAR
Strategic

Reaching for **New Heights**

Annual Report 2012

Contents

The contact person for the Company's Sponsor is Mr Ng Joo Khin
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Corporate Profile

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Cedar Strategic Holdings Ltd. ("CSH" or the "Group") was incorporated in Singapore on 17 October 1980. Formerly known as China Titanium Ltd., the Group adopted the name Cedar Strategic Holdings Ltd. on 7 December 2012 following the restructuring of its business model, effectively changing its core business to that of a real estate group.

CSH 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.

On 22 February 2013, CSH successfully completed the divestment of its 51% equity stake in Jade Marketing & Distribution Pte. Ltd. and 100% stake in Jade Real Estate Pte. Ltd. Concurrent with this, CSH 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 (the "PRC").

In line with the Group's ongoing business transformation, CSH 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 maximise shareholders' value in the longer term.

Group Structure

Chairman's Statement

Dear Shareholders,

2012: A YEAR IN TRANSITION

We started 2012 in the midst of divesting our titanium dioxide business, having entered into a conditional agreement to sell our stake to Imagine Un Limited, along with the other stakeholders. Subsequently, in August 2012, we entered into an equity transfer agreement (the "Equity Transfer Agreement") with Trechance Holdings Limited ("TH"), Talented Creation International Limited ("TCI") and Mr Ji Yu Dong, for the divestment of our 51% equity stake in Jade Marketing & Distribution Pte. Ltd. and our 100% equity stake in Jade Real Estate Pte. Ltd.

As shareholders would know, we have made the decision to transform the Company into a real estate group, with a focus on the People's Republic of China (the "PRC"). The Board believes that this offers us the best potential for growth and enhancement of shareholders' value in the long term.

Recently, in February 2013, we announced the successful completion of the Equity Transfer Agreement. With the divestment completed, we have fully exited from the previous titanium dioxide business.

A CHANGE OF NAME AND A CHANGE IN FOCUS

With business transformation, came our change in name. The change of the Company name to reference the Cedar tree was a deliberate choice. A tall and large plant, the Cedar tree usually grows to a height of fifty feet, and at times, over a hundred feet or more. Cedar trees often live a very long time because their habitats are relatively free of fire and their wood, very resistant to disease. Cedar trees have been very important to humans throughout history, and in different geographical locations, cedar wood has traditionally been used for building and shipbuilding – and continues to be used for many purposes in modern times. We hope that our Group will take on the valued characteristics of the evergreen cedar tree: strong and resistant to harm and decay, providing stable and steady growth, and reaching new heights.

Through the completion of the Equity Transfer Agreement, we have acquired a 25% economic interest in a piece of land located in Kaiyang County, Guizhou Province (the "Kaiyang Land"), owned by the Hua Cheng group, a major property developer based in Guizhou Province in the PRC. We are collaborating with the Hua Cheng group on the development of the Kaiyang Land. As the Kaiyang Land is located in a region designated as a tourist belt by the local government, the intention is to build bungalow units on the Kaiyang Land for sale. The Group has appointed a project manager based in the PRC who will be the point person liaising with the Hua Cheng group for our collaboration on the Kaiyang Land.

One of our main foci for 2013 is to continue working on the proposed acquisition of the entire issued share capital of TH, which was announced in the form of a memorandum of understanding in September 2012. This would result in a reverse takeover of the Hua Cheng group if completed. All parties continue to work with each other on the proposed acquisition, including negotiating and finalising the definitive agreements thereon, and all other preparatory work on the reverse takeover, and we hope to be able to complete the transaction within this financial year. The Board will keep shareholders updated on material developments and make the necessary announcements as and when required.

NURTURING REGIONAL GROWTH

Apart from our activities in the PRC, the Board is also working diligently to expand the Group's footprint in the real estate sector in Singapore and the region. In February 2013, we completed our acquisition of Yess Le Green Pte. Ltd. and West Themes Pte. Ltd., two significant cogs in our strategy for our new real estate focus. With our ability to tap into the experienced management of our new subsidiaries, we hope to expand into the provision of eldercare, student hostels and childcare facilities in Singapore as well as in neighbouring countries.

The proverbial Lao Tzu said, "A tree trunk the size of a man grows from a blade as thin as a hair. A tower nine stories high is built from a small heap of earth." The year ahead will involve much effort in integrating and managing our new acquisitions, as well as working on the reverse takeover of the Hua Cheng group. With each piece of the jigsaw falling into place, we hope to begin a new journey in the real estate industry, growing our presence towards becoming a significant regional property player.

With this mission in mind, the Board wishes to thank all shareholders for your steadfast loyalty and immeasurable support towards us throughout the years. Also, we would like to thank all staff and business partners for your continued contribution and belief in the Group.

We look forward to scaling new heights in 2013 with all of you.

Dr In Nany Sing Charlie
Executive Chairman

Board of Directors

DR IN NANY SING CHARLIE
Executive Chairman

Dr In Nany Sing Charlie is our Executive Chairman. Dr In was appointed to the Board of Directors of our Company on 30 April 2010 as a Non-executive Director. He was re-designated as an Executive Director on 01 April 2011. Dr In was appointed as a member of the Nominating & Corporate Governance Committee on 20 January 2012. On 01 January 2013, Dr In was re-designated as Executive Chairman.

Dr In was last re-elected on 28 January 2011 and is retiring at the forthcoming Annual General Meeting pursuant to Article 87 of the Company's Articles of Association and he will be standing for re-election.

Dr In has extensive experience in business management, capital sourcing, consulting, marketing, mergers and acquisitions. He was instrumental in arranging the public listing of several PRC Companies. He is currently the advisor to Talent Advisory Panel of the People's Association in Singapore, Chairman and Independent Director of Asia Fashion Holdings Limited and Director of Sino-Excel Energy Ltd.

Dr In was the Chairman of Direct Marketing Association of Singapore, an advisor of Asia Pacific Management Institute, Sapphire Corporation Limited, Sky China Petroleum Services Ltd and Ying Li International Real Estate Limited. He was also an adjunct faculty member of Singapore Institute of Management for 20 years and 17 years at University of South Australia.

Dr In is the first Singaporean to be honoured as the Most Respected Financial Writer of the Year Award at the 2010 Golden Mulberry Award - Business/Finance sub-category of The Big Ben Award, organized by the British Chinese Youth Federation.

Dr In holds a Masters of Business Administration from University of East Asia and a Postgraduate Diploma in Direct Marketing from Macquarie University Australia.

PENG WEILE LEO
Executive Director

Mr Peng Weile Leo is our Executive Director. Mr Peng was appointed to the Board of Directors of our Company on 20 January 2012 as a Non-executive Director. On 01 January 2013, Mr Peng was re-designated as an Executive Director and appointed as a member of the Nominating and Corporate Governance Committee. Mr Peng is retiring at the forthcoming Annual General Meeting pursuant to Article 94 of the Company's Articles of Association and he will be standing for re-election.

Mr Peng has about 10 years of experience in investment banking and asset management. He has advised companies on strategic planning, financial structuring, public listing and fund raising, particularly in China, Singapore and Hong Kong. Mr Peng has strong networks and in-depth knowledge of capital markets.

Mr Peng has successfully listed PRC companies in Singapore, Hong Kong and Australia. He was responsible for Institutional Sales at Deutsche Morgan Grenfell & Partners Securities Pte. Ltd. and responsible for Equity Capital Markets at HL Bank (Singapore) Ltd. Currently, Mr Peng is a Director at Sino-Excel Energy Ltd.

Mr Peng holds a Master of Finance from the National University of Ireland, Dublin.

Board of Directors

MR CHUA CHEOW KHOON, MICHAEL
Lead Independent Director

Mr Chua Cheow Khoon Michael is our Lead Independent Director. Mr Chua was appointed to the Board of Directors of our Company on 19 December 2011 as an Independent Director. On 20 January 2012, Mr Chua was re-designated as Lead Independent Director. He serves as the Chairman of the Audit Committee and a member of the Nominating & Corporate Governance Committee and Remuneration Committee. Mr Chua was last re-elected on 12 January 2012. He is retiring at the forthcoming Annual General Meeting pursuant to Article 87 of the Company's Articles of Association and he will be standing for re-election.

Mr Chua has more than 30 years of experience in financial and management accounting and general management and has held senior positions in multinational companies including Gilbeys Australia Pty Ltd, Texas Instruments Singapore Pte Ltd, Fairchild Singapore Pte Ltd, Reckitts & Colman Singapore Pte Ltd, the Singapore Technologies Group, the Sembcorp Group, as well as Delifrance Singapore Pte Ltd. Mr Chua was the Chief Investment Officer of Sapphire Corporation Limited and the Chief Financial Officer/Executive Director of SGX-listed SKY China Petroleum Services Ltd.

Currently, Mr Chua is a Chairman of JB Foods Limited and an Independent Director and Audit Committee Chairman of Cogent Holdings Limited.

Mr Chua holds a degree in accountancy from the Mitchell College of Advanced Education and is a Fellow of CPA Australia.

AZMAN HISHAM BIN JAAFAR
Independent Director

Mr Azman Hisham Bin Jaafar is our Independent Director. Mr Azman was appointed to the Board of Directors of our Company on 20 January 2012 as an Independent Director. He serves as the Chairman of the Remuneration Committee, Chairman of the Nominating & Corporate Governance Committee and is a member of the Audit Committee. Mr Azman is retiring at the forthcoming Annual General Meeting pursuant to Article 94 of the Company's Articles of Association and he will be standing for re-election.

Mr Azman is an Advocate & Solicitor, and Partner of RHTLaw Taylor Wessing LLP, heading the firm's Indonesia Practice. He has advised and represented clients in numerous transactions involving mergers and acquisitions, corporate finance, mining, and oil and gas transactions in Singapore, China and Indonesia.

Mr Azman fluently speaks and writes Mandarin and Bahasa Indonesia, and is a guest tutor at the National University of Singapore Law Faculty's Legal Case Studies programme. He is also a regular speaker at seminars on mergers and acquisitions, initial public offerings and regulatory compliance in Singapore and Indonesia.

Mr Azman was named AsiaLaw Leading Lawyers 2009 — Capital Markets/Corporate Finance and Corporate Governance. In 2007, he was awarded a Public Service Medal (Pingat Bakti Masyarakat, PBM) by the President of the Republic of Singapore in recognition of his contribution as a councillor with Northeast Community Development Council, from which he received a Long Service Award.

Currently, Mr Azman is an Independent Director of EpiCentre Holdings Limited and a Non-executive Director of P99 Holdings Limited.

Mr Azman obtained LL.B (Hons) from the National University of Singapore.

Board of Directors

MR HUANG CHUAN
Independent Director

Mr Huang Chuan is our Independent Director. Mr Huang was appointed to the Board of Directors of our Company on 01 October 2012. He serves as a member of the Audit Committee, Nominating & Corporate Governance Committee and Remuneration Committee. Mr Huang is retiring at the forthcoming Annual General Meeting pursuant to Article 94 of the Company's Articles of Association and he will be standing for re-election.

Mr Huang has a good grasp of the China property market, in-depth understanding of the Chinese language and culture, hands on experience in the PRC building and construction business and good business and governmental working relationships in South West China, particularly in Chongqing, Guizhou and Sichuan.

Currently, Mr Huang is the Managing Director of Southwest China Gezhouba Group. Previously, he was the Executive Director of North Morning Investment Hong Kong Limited, Senior Project Manager of Chongqing Kangda Environmental Protection Co. Ltd and Sichuan Office Manager of China Huayuan Group.

Mr Huang holds a Masters degree in environmental engineering from Tsinghua University.

ZHAO YANSHI
Non-executive Director

Mr Zhao Yanshi is our Non-executive Director. Mr Zhao was appointed to the Board of Directors of our Company on 20 January 2012. He serves as a member of the Remuneration Committee. Mr Zhao is retiring at the forthcoming Annual General Meeting pursuant to Article 94 of the Company's Articles of Association and he will be standing for re-election.

Mr Zhao is the President of Beijing WestComb Investment Ltd that provides capital raising, public listing and corporate financing advisory services. He specialises in corporate re-structuring, corporate governance and strategic management and advises PRC firms that are publicly listed outside China. Mr Zhao has extensive mergers and acquisitions experience in the real estate, petroleum and pharmaceutical industries.

Mr Zhao has facilitated overseas public listing, corporate restructuring and fund raising for Sky China Petroleum Services Ltd, Sapphire Corporation Limited, Ying Li International Real Estate Limited, BoHai Energy and Daqing XinLong Chemical Co. Ltd.

Mr Zhao started his career as a factory manager of a Jilin chemical factory. He has served as a television media executive, distributor of electronic products, property developer, recreation centre operator, oil & gas contractor, chemical plant investor and VP of China's leading pharmaceutical company responsible for manufacturing and capital raising.

Mr Zhao holds a degree in electronics from the China Central Radio & TV University.

Key Executives

MR SOH CHUN BIN
Chief Executive Officer

Mr Soh Chun Bin was appointed as the Chief Executive Officer on 15 July 2012. Mr Soh is responsible for the overall management and profitability of the Company and its subsidiaries.

Prior to joining the Company, Mr Soh was an equity partner of Stamford Law Corporation, a major law firm well known for its expertise in corporate finance and mergers and acquisitions. He had been one of the early pioneering lawyers at Stamford Law at its inception in the early 2000s, and had been a qualified lawyer specializing in capital markets and mergers and acquisitions for more than 12 years.

Mr Soh has advised on many Singapore and international initial public offerings of corporations and real estate investment trusts, including secondary equity and debt fund raising by such entities. He has a wealth of experience and expertise on many cross-border transactions and has a broad network spanning countries such as China and Indonesia.

Mr Soh has been recognized as a leading lawyer by legal publications such as Chambers and Partners and AsiaLaw, and also sits on the boards of listed companies. He was a former scholar with a global MNC, and has a LL.B (Hons) from the National University of Singapore.

MS LIM LI PENG
Senior Finance Manager

Ms Lim Li Peng was appointed on 25 January 2012. Ms Lim is responsible for accounts, finance and treasury management of the Group. She also handles all matters relating to investments, mergers & acquisitions, fund raising and corporate matters of the Group.

Ms Lim has over 10 years of experience in accounting and finance. Prior to joining the Company, Ms Lim was a Senior Finance Manager at SGX listed LifeBrandz Ltd. She was responsible for accounts, finance, internal controls and corporate matters of the Group. Ms Lim has also held accounting and finance positions at SGX Listed Olam International Ltd, SPH Media Works Ltd, VHQ Post (S) Pte Ltd, Luxasia Pte Ltd and Chan Brothers Travel Pte Ltd.

Ms Lim holds a Bachelor of Business in Accountancy from the Royal Melbourne Institute of Technology and is a Certified Public Accountant of Australia.

Operating and Financial Review

On 16 August 2012, the Group entered into an equity transfer agreement (the "Equity Transfer") with Trechance Holdings Limited ("TH"), Talented Creation International Limited ("TCI") and Mr Ji Yu Dong, for the divestment of its 51% equity stake in Jade Marketing & Distribution Pte. Ltd. and its 100% equity stake in Jade Real Estate Pte. Ltd.

As announced on 22 February 2013, the Group has successfully completed the Equity Transfer to TCI, and concurrent with this, its purchase of a 25% economic interest in a piece of land in the PRC (the "Kaiyang Land").

In addition, the Company had on 23 August 2012 changed its financial year end from 30 September 2012 to 31 December 2012. As such, the audited accounts presented by the Company will cover a period of 15 months from 1 October 2011 to 31 December 2012 ("FY2012").

CONTINUING OPERATIONS

The investment value for the discontinued titanium dioxide business segment was classified as disposal group held for sale as at 31 December 2012 and was thus, not consolidated with that of the continuing operations of Cedar Strategic Holdings Ltd. ("CSH").

As at 31 December 2012, the Group had a net asset value of RMB105 million. Cash and cash equivalents was RMB66 million and assets held for sale was RMB148 million.

In FY2012, the Group recorded other income of RMB0.26 million, compared to RMB0.03 million recorded in FY2011. The increase of RMB0.23 million was mainly due to interest income derived from the Company's Citibank fixed deposit account.

Administrative expenses rose from RMB12.7 million to RMB22.2 million, mainly due to incentive shares issuance of 50 million new ordinary shares in the capital of the Company, expenses incurred in connection with the issue of warrants, professional and directors' fees, and travelling expenses.

Given the above, the Group recorded a net loss attributable to equity holders of the Company of RMB24.8 million for FY2012. Basic loss per ordinary share for FY2012 was RMB0.56.

ASSET ACQUISITION IN SINGAPORE

As part of the Group's overall strategy to transform itself into a significant regional property player, the Company announced on 28 January 2013 the proposed acquisition (the "YLG and WT Acquisitions") of two Singapore companies in the real estate industry from Mr Stanley Lee Kiang Leng (the "Vendor") through the purchase of:

a) 2,500,000 ordinary shares in Yess Le Green Pte. Ltd. ("YLG"), representing the total issued share capital of YLG (the "YLG Shares"); and
b) 500,000 ordinary shares in West Themes Pte. Ltd. ("WT"), representing the total issued share capital of WT (the "WT Shares").

YLG and WT were incorporated in Singapore in 2003 and 2000 respectively. YLG and WT are principally engaged in the business of asset management and specialise in the enhancement of assets, refurbishment and leasing of commercial properties.

In addition, YLG also operates a student hostel on one of its properties and WT owns a unit at Mayfair Industrial Building, a 999-year leasehold property located at 51 Jalan Peminpin (the "Mayfair Property"), and a 2-storey shophouse located at 1120 and 1120A Serangoon Road, a 99-year leasehold property (the "Serangoon Property", and together with the Mayfair Property, the "Properties").

According to Estate Exchange Consulting valuation reports dated 27 December 2012, the independent property valuer is of the opinion that the open market values of the Mayfair Property and the Serangoon Property are S$880,000 and S$1,280,000 respectively.

The YLG and WT Acquisitions were successfully completed on 5 February 2013, pursuant to which:

(i) the YLG Shares and WT Shares have been transferred to the Company; and
(ii) the Company has paid S$1,000,000 of the Cash Consideration to the Vendor.

With the completion of the YLG and WT Acquisitions, the Company is of the view that it is not a cash company as it continues to have an operating business in the real estate sector because both YLG and WT generate operating revenue, providing a stable income stream for the Group.

TERMINATION OF PROPOSED ACQUISITION IN AUSTRALIA

Where previously the Board was exploring the possibility of acquiring and building up an agriculture business, given the Company's new strategic focus on the real estate industry, the Company announced on 22 February 2013 that it will not be proceeding with the proposed acquisition of two adjoining properties located in Richmond, Tasmania, Australia ("Moreville" and "The Leys", collectively, the "Property") from Tian-An Pty Ltd (the "Vendor") for this purpose.

Pursuant to the termination, the earlier proposed issue of:

i a S$3,770,000 in aggregate principal amount of 5% bond due 2015 (the "Bond") will be cancelled;
ii the interim mortgage will be discharged by the Company; and
iii 582,500,000 warrants (the "Warrants"), with each Warrant carrying the right to subscribe for one (1) share in the capital of the Company at the exercise price of S$0.004 for each new share, to the Vendor, will be retained by the Vendor.

As the Bond will be cancelled, upon the exercise of the Warrants or any part thereof by the Vendor, the Vendor shall pay the Exercise Price of such Warrants by way of a Singapore dollar cheque or by banker's draft or cashier's order.

REVERSE TAKEOVER

The Company has entered into a memorandum of understanding in relation to the proposed acquisition of the entire issued and paid-up capital of Trechance Holdings Limited (the "Proposed TH Acquisition"), when undertaken and completed, is expected to result in a "very substantial acquisition" or "reverse takeover".

Subject to Shareholders' and the Singapore Exchange's approval, the parties involved continue to work on the Proposed TH Acquisition, which includes negotiating, finalising and executing definitive agreements in relation thereto. The Company will make the necessary announcements when there is material development.

Going forward, the Company will continue to seek opportunities to expand its business and investment plans in the real estate industry, solidifying its market position as a regional property player, with the ultimate objective of enhancing Shareholders' value.

Corporate Information

BOARD OF DIRECTORS

Dr In Nany Sing Charlie
Executive Chairman

Peng Weile Leo
Executive Director

Chua Cheow Khoon Michael
Lead Independent Director

Azman Hisham Bin Jaafar
Independent Director

Huang Chuan
Independent Director

Zhao Yanshi
Non-executive Director

AUDIT COMMITTEE

Chua Cheow Khoon Michael
Chairman

Azman Hisham Bin Jaafar
Huang Chuan

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Azman Hisham Bin Jaafar
Chairman

Chua Cheow Khoon Michael
Dr In Nany Sing Charlie
Huang Chuan
Peng Weile Leo

REMUNERATION COMMITTEE

Azman Hisham Bin Jaafar
Chairman

Chua Cheow Khoon Michael
Huang Chuan
Zhao Yanshi

COMPANY SECRETARIES

Ong Beng Hong
Tan Swee Gek

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COMPANY REGISTRATION NO.

198003839Z

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Partner-in-charge: Robin Chin Sin Beng
(Appointed since financial year 2009)

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The Listing Manual – Section B: Rules of Catalist ("**Catalist Rules**") issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") require an issuer to describe its corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2005 (the "**Code**") in its annual report. An issuer is also required to disclose any deviation from any guideline of the Code together with an appropriate explanation for such deviation in the annual report.

Accordingly, the Board of Directors ("**Board**") and the management of Cedar Strategic Holdings Ltd. ("**CSH**" or the "**Company**") wish to assure its shareholders that they are committed to maintaining a high standard of corporate governance to protect the interests of shareholders, employees and customers, and to promote investors' confidence. The Company has adopted practices based on the Code.

In accordance with Rule 710 of the Catalist Rules, this Report sets out the Company's corporate governance practices. The Company believes that it has generally complied with the spirit and intent of the Code and but in areas where the Company deviates from the Code, rationale is provided herein.

In addition to the Code, the Company has also adopted a code of ethics ("**Ethics**") to provide its employees with guidance on how to act in ways to prevent the Group, its employees and all those who come into contact with the Group from being exposed to harm. Copies of the Company's Ethics have been circulated to the Group's employees and may also be found at the Company's registered office.

BOARD MATTERS

Board's Conduct of Its Affairs

Principle 1: Effective Board to lead and control the Company

The Board's principal roles include promoting long-term shareholder value, ensuring that the businesses of the Company and its subsidiaries (collectively referred herein as the "**Group**") are effectively managed and properly conducted by management and ensuring proper observance of corporate governance practices.

In addition to statutory duties and responsibilities, the Board's duties include the following:

a) reviewing and approving the annual budget;

b) reviewing and approving key business and financial strategies and objectives for the Group;

c) reviewing and approving major corporate and/or financial restructuring and/or share issuance;

d) reviewing and approving major transactions, including acquisitions, divestments, investments and capital expenditure;

e) ensuring internal controls are in place and functional for its continuing operations and enables risk to be assessed and managed;

f) overseeing risk management strategies;

g) reviewing and approving quarterly and annual results announcements;

h) reviewing and approving the annual report and audited financial statements;

i) reviewing and providing guidance to the management of the Company;

j) ensuring adequacy of necessary financial and human resources to meet the Group's objectives;

k) providing entrepreneurial leadership and set strategic directions;

l) establishing and maintaining Company's values and standards and ensuring obligations to shareholders and others are understood and met;

m) approving nominations to the Board and appointment of key personnel;

n) ensuring the Group's compliance with all relevant and applicable laws and regulations; and

o) assuming responsibility for the corporate governance of the Group.

The Board has set up three committees to assist in the execution of the Board's responsibilities. These committees ("**Board Committees**") include the Nominating and Corporate Governance Committee ("**NCGC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**"). Each Committee functions within clearly defined terms of its Charter. In particular, the NCGC reviews the effectiveness of the Board, AC and RC and each individual Director annually, while the Board reviews the effectiveness of NCGC annually.

Directors' Attendance At Board and Board Committee Meetings

The Board meets at least four times each year and at other times as required. Board Committees meet in accordance with their respective Charters or as needed. Meetings are held in person and by telephone conference to enable widest participation by Directors who may be in different geographical locations. The Directors also engage in discussions via email correspondence. Where a decision has to be made before a board meeting is convened, Directors' resolutions in writing are circulated in accordance with the Articles of Association ("**Articles**") of the Company and the Directors are provided with all relevant information and documents to allow them to make informed decisions.

The attendance of the Directors at meetings of the Board and Board Committees during the period from 1 October 2011 to 31 December 2012 is tabulated on the next page:

Directors' Attendance At Board and Board Committee Meetings

	Board of Directors	Audit Committee	Nominating & Corporate Governance Committee	Remuneration Committee
Number of Meetings per Charter	4	4	2	2
Number of Meetings Held	6	6	2	2

Name of Directors	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
In Nany Sing Charlie (Dr) [1]	6	6 (attended as invitee)	2	2 (attended as invitee)
Peng Weile Leo [2]	4	1 (attended as invitee)	N/A	N/A
Chua Cheow Khoon Michael [3]	5	5	1	1
Azman Hisham Bin Jaafar [4]	4	5	1	1
Huang Chuan [5]	1	1	0*	0*
Zhao Yanshi [6]	4	1 (attended as invitee)	N/A	1
Zhou Wei Jian [7]	5	1 (attended as invitee)	N/A	N/A
Gaballa Andrew Adel [8]	3	4	1	1
Ng Kim Tean [9]	1	1	1	1
Tao Yeoh Chi [10]	1	1	1	1
Teh Wing Kwan [11]	1	1	1	1

N/A - not applicable

* The NCGC and RC meetings were held prior to Mr Huang Chuan's appointment.

Notes:

1. Appointed as a Member of the NCGC on 20 January 2012. Served as an Executive Director until 31 December 2012. Re-designated as Executive Chairman on 01 January 2013. Announcement on re-designation was released via SGXNET on 31 December 2012.
2. Appointed as a Non-executive Director on 20 January 2012. Re-designated to an Executive Director and appointed as a Member of the NCGC on 01 January 2013. Announcement on re-designation was released via SGXNET on 31 December 2012.
3. Appointed as an Independent Director on 19 December 2011. Re-designated as Lead Independent Director and appointed as the Chairman of AC and a Member of NCGC & RC on 20 January 2012. Announcements in relation to the appointment as Independent Director and to the Board Committees were released via SGXNET respectively on 19 December 2011 and 20 January 2012.
4. Appointed as an Independent Director, the Chairman of RC and a Member of AC and NCGC on 20 January 2012. Re-designated as Chairman of NCGC on 01 October 2012. Announcements in relation to the appointment as Independent Director and re-designation were released via SGXNET respectively on 20 January 2012 and 01 October 2012.

5. Appointed as an Independent Director and a Member of AC, RC & NCGC on 01 October 2012. Announcement in relation to the appointment as Independent Director and to the Board Committees was released via SGXNET 01 October 2012.
6. Appointed as a Non-executive Director and a Member of RC on 20 January 2012. Announcement in relation to the appointment as Non-executive Director and to the Board Committee was released via SGXNET 20 January 2012.
7. Resigned as Non-executive Chairman on 01 January 2013. Announcement in relation to cessation of appointment as Director was released via SGXNET on 31 December 2012.
8. Appointed as an Independent Director, the Chairman of NCGC and a Member of AC & RC on 20 January 2012. Resigned as Director on 01 October 2012. Announcement in relation to cessation of appointment as Director was released via SGXNET on 01 October 2012.
9. Retired as Director of the Company, stepped down as Chairman of NCGC and Member of AC and RC on 12 January 2012. Announcement in relation to cessation of appointment as Director was released via SGXNET on 11 January 2012.
10. Retired as Director of the Company, stepped down as Chairman of RC and Member of AC and NCGC on 12 January 2012. Announcement in relation to cessation of appointment as Director was released via SGXNET on 11 January 2012.
11. Retired as Director of the Company, stepped down as Chairman of AC and Member of NCGC & RC on 12 January 2012. Announcement in relation to cessation of appointment as Director was released via SGXNET on 11 January 2012.

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends. All other matters are delegated to committees whose actions are reported to and monitored by the Board.

The Company also has a training budget for its Directors to attend courses and seminars, which is utilised as and when needed. The Company relies on and encourages its Directors to update themselves on new laws, regulations and changing commercial risks. Accordingly, information on courses or seminars in relation to the roles and responsibilities as a director of a listed company as well as revisions to laws or regulations (which are applicable to the Group) are disseminated to Directors.

The Company also has in place orientation programs for newly appointed Directors to ensure that they are familiar with the Group's structure, the Group's business and its operations. New Directors will be expected to undergo orientation with the Company which includes meeting with the Chairman and/or the Executive Directors for an introduction to the business of the Group. Newly appointed Directors are also given a formal letter explaining their duties and obligations as Directors. The newly appointed Directors are also encouraged to attend formal courses to familiarise themselves with the regulatory environment in Singapore and the roles and responsibilities as Director of a listed company.

In the event that a Director is interested in any transaction of the Group, he shall be obliged to inform the Board accordingly and abstain in making any recommendation or decision in relation to that transaction.

Board Composition & Balance

Principle 2: Strong and independent element on the Board

As at the date of this Report, the Board comprises the following members:

In Nany Sing Charlie (Dr)	Executive Chairman
Peng Weile Leo	Executive Director
Chua Cheow Khoon Michael	Lead Independent Director
Azman Hisham bin Jaafar	Independent Director
Huang Chuan	Independent Director
Zhao Yanshi	Non-executive Director

Under the Articles of the Company, the Board must comprise a minimum of two members. However, the Articles of the Company do not impose any limit on the maximum number of Directors the Company may appoint. The composition of the Board is also reviewed on an annual basis by the NCGC to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision making.

Pursuant to its review for the financial year ended 31 December 2012, the NCGC is of the view that the current Board size of six Directors is appropriate and effective, taking into account the scope and nature of the Company's current operations. The NCGC further believes that the current Board comprises persons who as a group provide core competencies necessary to meet the Company's objectives.

Further to the above, the Non-executive Directors have (a) constructively provided challenge and helped developed proposals on strategy and (b) reviewed the performance of management in meeting agreed goals and objectives as well as monitored the reporting of performance.

The Board and the NCGC consider a Director to be "independent" if he has no relationship with the Company, the related companies, its 10% shareholders or the officers that could interfere, or be reasonably perceived to interfere, with the exercise of that Directors' independent judgement of the conduct of the Group's affairs. The Board and the NCGC is of the opinion that the Independent Directors satisfy the criteria. As half of the Board is made up of Independent Directors, the Board and the NCGC are also of the view that the Board shall be able to exercise independent judgement on corporate affairs and no one individual or group(s) of individuals dominates any decision-making process.

Key information on each Director is set on pages 3 to 5 of the Annual Report.

The Board has no dissenting view on the Chairman's statement for the year under review.

Access to Information & Accountability

Principle 6: Board members to have complete, adequate and timely information

Principle 10: Board's accountability to the shareholders, management's accountability to the Board

Changes to regulations and accounting standards are monitored closely by the management of the Company. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, Directors are briefed either during board meetings or at specially-convened sessions conducted by professionals. Information relating to such regulatory changes is also circulated to the Board via email for their attention. Newly appointed Directors will be briefed by the Chairman and Executive Director(s) on the business activities of the Group and its strategic directions.

In order to ensure that the Board is able to fulfill its responsibilities prior to the board meetings, the management provides the members of the Board with management accounts, as well as relevant background information and documents relating to items of business to be discussed at a board meeting, such as copies of disclosure documents, budgets, forecasts and monthly internal financial statements, before the scheduled meeting. Key information relating to the Group's operations and finances are also circulated to the Board via email to update them such that the Directors may monitor the Group's performance as well as the management's fulfillment of goals and objectives set by the Board.

The Directors are also regularly briefed by the management of the Company on the business activities of the Group and its strategic directions as well as its corporate practices.

The Directors have separate and independent access to the management of the Company, including the Chief Executive Officer (“**CEO**”), Senior Finance Manager (“**SFM**”) and Company Secretary of the Group. The Company Secretary attends all meetings of the Board and Board Committee and prepares the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be. The Company Secretary also ensures that the procedures for such meetings are in accordance with the Articles and all applicable rules and regulations (including the requirements of the Singapore Companies Act, Cap. 50 and the Catalist Rules) are complied with. Further to the above, the Company Secretary helps to facilitate communications within the Board and its Board Committees and between management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company allows Directors to take independent professional advice on matters affecting the Group, and such cost will be borne by the Company. Further to the above, Directors have, at all times, unrestricted access to the Company’s records and information.

The Group has also adopted the Ethics which sets out the principles and guidelines relating to, amongst other things, conflict of interest, transactions with suppliers and customers, transactions with related persons, confidentiality and insider trading.

One of the Board’s principal duties is to protect and enhance the long-term value and returns to the Company’s shareholders. This accountability to shareholders is demonstrated through the provision of quarterly announcements on the financial results of the Group as well as timely announcements or news releases of significant corporate developments and activities of the Group such that shareholders will have information to evaluate and assess the Group’s financial position and prospects.

The Group’s financial results for the first three financial quarters are released to shareholders within 45 days from the end of the respective financial quarter. The Group’s full year financial results are released within 60 days from the financial year end. The quarterly financial statements are also signed by two Directors to confirm that, to the best of the Board’s knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results contained in that announcement to be false or misleading in material aspects.

The company announced various significant corporate developments in FY2012 including entering into a Memorandum of Understanding (“**MOU**”) in relation to the proposed very substantial acquisition of Trechance Holdings Limited and entering into an Equity Transfer Agreement and Deed of Novation, instead of the divestment to Imagine Un Limited. In FY2013, the company announced the completion of the Equity Transfer, completion of the acquisition of Yess Le Green Pte. Ltd. (“**YLG**”) and West Themes Pte. Ltd. (“**WT**”) and the termination of the proposed acquisition of property in Tasmania, Australia.

Further to the above, the Company also completes and submits compliance checklists to its Sponsor (if applicable and when required) to ensure that all announcements, circulars or letters to our shareholders comply with the minimum requirements set out in the Catalist Rules.

Executive Chairman, Executive Director and CEO

Principle 3: Clear division of responsibilities at the top of the Company

As at the date of this Report, the Company has an Executive Chairman, one Executive Director, CEO, three Independent Directors and a Non-executive Director. There is clear division of responsibilities between the Executive Chairman, the Executive Director and CEO who are not related to each other.

The responsibilities of the Executive Chairman include the following:

a) leads the Board to ensure its effectiveness on all aspects of its role and set its agenda;

b) ensures that the Directors receive accurate, timely and clear information;

c) critique key proposals by management before they are presented to the Board for decision;

d) ensures effective communication with shareholders;

e) encourages constructive relations between the Board and management;

f) facilitates the effective contribution of Non-executive / Independent Directors;

g) encourages constructive relations between Executive Director and Non-executive / Independent Directors; and

h) promotes high standards of corporate governance.

The Executive Chairman plays a key role in the development and maintenance of strategic relations with the Company's business partners. In addition, he provides close oversight, guidance, advice and leadership to the Executive Director, CEO and management.

The Executive Director is engaged in raising funds inside and outside China for the Group. The Executive Director's responsibilities include the following:

a) having overall charge of all commercial & investment banking matters of the Group;

b) leading fund raising efforts inside and outside China; and

c) implementing policies laid down by the Board.

The CEO is engaged in the overall management of the Group. The CEO's responsibilities pertaining to the Board include the following:

a) schedules meetings that enable the Board to perform its duties responsibly;

b) prepares meeting agenda in consultation with the Executive Chairman;

c) ensures quality, quantity and timeliness of the flow of information between management and the Board; and

d) assists in ensuring compliance with Company's guidelines on corporate governance.

The CEO manages the business of the Company, implements the Board's decisions and monitors the translation of the Board's decisions into executive action. He reviews and approves the agendas for the board meetings. He exercises control over the quality, quantity and timeliness of information flow between the Board and management.

In view of the above, the Board is of the view that the roles of Executive Chairman, Executive Director and CEO are sufficiently separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Nominations

Principle 4: Formal and transparent process for appointment of new Directors and requirement for re-nomination and re-election of Directors

The NCGC comprises the following members:

Azman Hisham Bin Jaafar (Chairman)	Independent Director
Chua Cheow Khoon Michael	Lead Independent Director
Huang Chuan	Independent Director
In Nany Sing Charlie (Dr)	Executive Chairman
Peng Weile Leo	Executive Director

The NCGC meets regularly twice each year in accordance with its Charter and at other times as required. The NCGC performs a dual function as set out in its Charter. It provides assistance to the Board of Directors in the selection and assessment of Directors, and it has oversight of the Group's corporate governance practices.

The responsibilities of NCGC in relation to Board appointments include the following:

a) recommends to the Board the appropriate structure, size and composition of the Board, taking into account the size and needs of the Group, and the skill mix, qualities and experience required of Directors to advance the business interests of the Group and to promote long-term shareholder value;

b) recommends to the Board the size and composition of Board Committees to function competently and effectively;

c) considers the suitability of nominees for appointment as new Directors, having regard to their background, potential contribution to the Group based on their experience and expertise, and ability to exercise independent business judgment;

d) considers the suitability of Directors for re-nomination, having regard to their past contribution and performance, including attendance and participation at meetings;

e) assesses, on an annual basis, the independence of the Directors;

f) evaluates, on an annual basis, the performance of each individual Director, the performance of each Board Committee and the performance of the Board as a whole;

g) recommends to the Board the termination of membership of individual Directors in accordance with corporate policy for cause or other appropriate reasons; and

h) reviews and recommends to the Board other policies related to the Board from time to time.

In the event there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NCGC will review the change to be implemented and make recommendations to the Board accordingly. For the new appointment of Directors, the NCGC will, in consultation with the Board, examine the existing Board's strength, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. The NCGC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NCGC seeks candidates widely and beyond persons directly known to the existing Directors. The NCGC recommends suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment shall be released via SGXNET. In the event of cessation of appointment of any director or executive officer, the NCGC will conduct exit interviews with such director or executive officer, as the case may be, and announcements relating to such cessation will also be released via SGXNET.

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Directors	Appointment	Date of Initial Appointment	Date of last re-election/ re-appointment
In Nany Sing Charlie (Dr) [1]	Executive Chairman	30 April 2010	28 January 2011
Peng Weile Leo [2]	Executive Director	20 January 2012	Not applicable
Chua Cheow Khoon Michael [3]	Lead Independent Director	19 December 2011	12 January 2012
Azman Hisham Bin Jaafar	Independent Director	20 January 2012	Not applicable
Huang Chuan	Independent Director	01 October 2012	Not applicable
Zhao Yanshi	Non-executive Director	20 January 2012	Not applicable

Notes:

1 On 01 January 2013, Dr In Nany Sing Charlie, Executive Director of the Company, was re-designated as Executive Chairman.

2 On 01 January 2013, Peng Weile Leo, Non-executive Director of the Company, was re-designated as Executive Director.

3 On 20 January 2012, Chua Cheow Khoon Michael, Independent Director of the Company, was re-designated as Lead Independent Director.

The NCGC also reviews the composition of the Board and the independence of each Director annually. To determine the independence of the Independent Directors, the NCGC reviews disclosures/declarations made by Mr Azman Hisham Bin Jaafar, Mr Chua Cheow Khoon Michael and Mr Huang Chuan. The forms for these disclosures/declarations are drawn up based on the guidelines in the Code. Pursuant to its review, the NCGC is of the view that Mr Azman, Mr Chua and Mr Huang are deemed to be independent of the Group and its management.

The NCGC has in place internal guidelines to address the conflict of competing time commitments of Directors serving on multiple boards. If a Director is on the board of other companies, the NCGC shall consider whether adequate time and attention have been devoted to the affairs of the Company. In the event there are sufficient grounds for complaint, the Chairman of the Board will discuss, and if necessary, advise the Director of the issues and the consequences of failure to rectify the situation within the period required.

After conducting reviews, the NCGC is satisfied that the Directors have been able to devote adequate time and attention to the affairs of the Company and that they are able to satisfy their duties as directors to the Company.

In its selection and appointment of new Directors, the NCGC receives recommendations from existing Directors and the Company's professional advisors. At least two members of the NCGC will conduct interviews with the potential new Director before recommending their appointments to the Board for approval.

The NCGC also recommends all appointments and re-nominations of Directors to the Board. Article 87 of the Company's Articles provides *inter alia* and subject to the other provisions in the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or multiples of three, then the number nearest one-third (rounded upwards where necessary) shall retire from office at least once every three years by rotation from the date of his appointment or last re-election but shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to Article 94 of the Company's Articles, any Director appointed within a financial year shall hold office only until the next annual general meeting, but shall then be eligible for re-election and shall not be taken into account in determining the Directors who are to retire by rotation pursuant to Article 87 of the Company's Articles, at that meeting.

Based on the above:

(a) Dr In Nany Sing Charlie and Mr Chua Cheow Khoon Michael are required to retire pursuant to Article 87 of the Company's Articles at the forthcoming Annual General Meeting; and

(b) Mr Azman Hisham Bin Jaafar, Mr Huang Chuan, Mr Peng Weile Leo and Mr Zhao Yanshi are required to retire pursuant to Article 94 of the Company's Articles at the forthcoming Annual General Meeting.

It be noted that Dr In, Mr Chua, Mr Azman, Mr Huang, Mr Peng and Mr Zhao have all given their consent to stand for re-election as Directors of the Company at the forthcoming Annual General Meeting. The NCGC and the Board have recommended Dr In Nany Sing Charlie and Mr Chua Cheow Khoon Michael who shall be retiring pursuant to Article 87 of the Company's Articles of Association at the forthcoming AGM, to be re-elected. The NCGC and the Board have also recommended Mr Azman Hisham Bin Jaafar, Mr Huang Chuan, Mr Peng Weile Leo and Mr Zhao Yanshi who shall be retiring pursuant to Article 94 of the Company's Articles of Association at the forthcoming AGM, to be re-elected.

Consistent with the spirit of the Articles, the NCGC has also determined that commencing from January 2004, members of Board Committees shall assume the chairmanship by rotation, and the term of office as Chairman shall not exceed five consecutive years. The Board Committees shall be re-constituted at a later date when required.

Corporate Governance

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each Director

In addition to the above, the NCGC is also responsible for adopting and implementing corporate governance measures to achieve good stewardship of the Company. In this respect, its responsibilities include:

a) proposes objective performance criteria which incorporates qualitative and quantitative factors to evaluate on an annual basis the performance of the Board as a whole and that of each Director (other than Executive Director, who is evaluated by the RC);

b) implements appropriate programmes for orientation and training of new Directors, and to update the Board on relevant new laws, and regulations and changing commercial risks, from time to time;

c) advises the Board on corporate governance issues, generally where they are not covered by other Board Committees, including without limitation shareholders' issues; and

d) performs other functions assigned by law, the Company's Memorandum and Articles of Association or by the Board from time to time.

The composition of the Board is reviewed on an annual basis by a Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. In assessing the performance of the Directors in fulfilling their duties, the NCGC takes into account, amongst other factors, the Director's qualification in relation to general commercial knowledge, specific industry experience, political and social knowledge of the countries the Group operates in, attendance at Board or Board Committee meetings in person or via teleconference, availability at all reasonable times and participation at Board and Board Committee meetings, quality of interventions or difference of opinion expressed and special contributions. The NCGC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors.

With respect to the financial year ended 31 December 2012, after evaluation, the NCGC considered the performance of each individual Director, each Board Committee (other than itself), and the Board as a whole, to be satisfactory. The Board as a whole considered the performance of the NCGC to be satisfactory. For avoidance of doubt, each member of the NCGC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Informal reviews of each individual Board member's performance are undertaken on a continuous basis by the NCGC with inputs from the other Board members. Renewal or replacement of Directors do not necessarily reflect their contribution to date; it may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

REMUNERATION COMMITTEE

Principle 7: Formal and transparent procedure for fixing remuneration packages of Directors and key management executives

Principle 8: Remuneration of Directors should be adequate, not excessive and linked to performance

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration and procedure for setting remuneration

The RC of the Board comprises the following members:

Azman Hisham Bin Jaafar (Chairman)	Independent Director
Chua Cheow Khoon Michael	Lead Independent Director
Huang Chuan	Independent Director
Zhao Yanshi	Non-executive Director

The RC is governed by its own Charter. The primary function of the RC is to advise the Board on compensation issues generally, and in particular, in relation to Directors and key management, bearing in mind that a meaningful portion of management's compensation should be contingent upon financial performance in order to foster the creation of long-term shareholder value.

Its responsibilities include the following:

a) advises the Board of Directors on compensation theory and practice, as well as best practice with regard to non-cash compensation and trends;

b) reviews management's appraisal on current market situation as it relates to compensation and management's recommendation of the overall aggregate adjustments to be made at the next annual review of compensation for all staff, management and Directors, including stock options and other equity incentive schemes;

c) recommends to the Board compensation packages for Executive Directors, Non-executive Directors, CEO and the Senior Finance Manager;

d) determines the allocation of share options and other equity incentives, if any, to Directors, management and staff;

e) reviews and assesses performance of management and adopt appropriate measures to assess performance; and

f) ensures that appropriate structures for management succession and career development are adopted.

The RC meets two times each year and at other times as required, in accordance with its Charter.

The management, together with the RC, recommends the compensation for Non-executive Director(s) and Independent Directors, taking into account factors such as time spent and responsibilities of the Directors, the current market circumstances and the need to attract directors of experience and standing. The Directors' fees were compared against a reference benchmark to ensure that they are in line with market norms. As the members of the RC do not participate in any decision concerning their own remuneration, the Board accepts the management's recommendation. Payment of Directors' fees is subject to shareholders' approval at the Annual General Meeting. The RC and the Board are of the view that the compensation of Non-executive Directors is adequate and not excessive.

The RC administers the CSH Employee Share Option Scheme (previously known as CTL Employee Share Option Scheme) which was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009). The performance related elements of remuneration are designed to align interest of Directors, management and staff with those of shareholders and link rewards to corporate and individual performance. Details of CSH Employee Share Option including awards made are found in the Report of Directors as well as the Company's Circular to shareholders dated 29 July 2009 which may found on SGXNET.

Non-executive Directors receive basic directors' fees and additional fees for serving as a Board Committee Chairman. Executive Directors do not receive Directors' fees. Long term incentive scheme for Executive Directors, management and staff includes share options. The payment of a total of S$495,000 as directors' fees for 15 months for the financial year 01 October 2011 to 31 December 2012 has been recommended to the shareholders for approval at the forthcoming AGM.

Directors' fees of S$351,667 for the financial year ending 31 December 2013, which are to be paid quarterly in arrears, are also recommended to the shareholders for approval at the forthcoming AGM.

The management, together with the RC, determines and recommend to the Board the compensation package of Executive Directors, taking into account experience, knowledge and the existing circumstances in the employment market.

With regard to the remuneration of other key management executives, the RC, together with the management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives is guided by the National Wage Council guidelines, and also takes into consideration the Company's performance, the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Company's overall goals and objectives. None of the employees in the company or any of its principal subsidiaries whose remuneration exceed S$150,000 during the year is a relative of a Director or substantial shareholder of the Company or any of its principal subsidiaries, save for Yin Zhenwei Joyce as disclosed on page 22.

The Executive Directors have service contracts which includes terms for termination under appropriate notice.

The Board is of the view that it is not necessary to present its remuneration policy before shareholders for approval at the AGM.

Details of the share option scheme are set out in the Report of the Directors.

Details of the Directors and key management executives' remuneration for the period from 1 October 2011 to 31 December 2012 are set out on the next page. Disclosure of the Directors' remuneration is also made in Note 13 of the financial statements.

Directors' Remuneration

	Fees %	Salary %	Bonus %	Other Remuneration* %	Other Benefits** %	Total %
Executive Directors *Between S$400,000 to S$499,999* *(Between RMB2,043,318 to RMB2,554,143)*						
In Nany Sing Charlie (Dr) [1]	1.21	58.83	8.23	-	31.73	100
Below S$100,000 *(Below RMB510,830)*						
Peng Weile Leo [2]	54.50	-	-	-	45.50	100
Non-executive Directors *Between S$200,000 to S$299,999* *(Between RMB1,021,659 to RMB1,532,484)*						
Zhou Wei Jian [3]	37.39	32.94	10.98	-	18.69	100
Between S$100,000 to S$199,999 *(Between RMB510,830 to RMB1,021,654)*						
Chua Cheow Khoon Michael [4]	68.67	-	-	-	31.33	100
Azman Hisham Bin Jaafar [5]	64.27	-	-	-	35.73	100
Below S$100,000 *(Below RMB510,830)*						
Huang Chuan [6]	100	-	-	-	-	100
Zhao Yanshi [7]	58.29	-	-	-	41.71	100
Gaballa Andrew Adel [8]	100	-	-	-	-	100
Ng Kim Tean [9]	100	-	-	-	-	100
Tao Yeoh Chi [9]	100	-	-	-	-	100
Teh Wing Kwan [9]	100	-	-	-	-	100

Notes:

* Other Remuneration includes shares granted as remuneration.

** Other Benefits include granting of Share Options under the CSH Employee Share Option Scheme, benefits in kind and employer's contribution to Central Provident Fund.

1. Executive Director until 31 December 2012; Re-designated to Executive Chairman on 01 January 2013.
2. Appointed as Non-executive Director on 20 January 2012; Re-designated to Executive Director on 01 January 2013. His total remuneration for the period from 20 January 2012 to 31 December 2012 that he served as a Non-executive Director amounts to S$87,917.
3. Resigned as Director of Company on 01 January 2013.
4. Appointed as Independent Director on 19 December 2011; Re-designated to Lead Independent Director on 20 January 2012. His total remuneration for the period from 19 December 2011 to 31 December 2012 that he served as an Independent Director amounts to S$159,853.
5. Appointed as Independent Director on 20 January 2012. His total remuneration for the period from 20 January 2012 to 31 December 2012 that he served as an Independent Director amounts to S$139,931.
6. Appointed as Independent Director on 01 October 2012. His total remuneration for the period from 01 October 2012 to 31 December 2012 that he served as an Independent Director amounts to S$20,834.
7. Appointed as Non-executive Director on 20 January 2012. His total remuneration for the period from 20 January 2012 to 31 December 2012 that he served as a Non-executive Director amounts to S$95,903.
8. Resigned as Director of Company on 01 October 2012. His total remuneration for the period from 20 January 2012 to 01 October 2012 that he served as an Independent Director amounts to S$64,931.
9. Retired as Director of Company on 12 January 2012.

   Mr Ng Kim Tean's total remuneration for the period from 01 October 2011 to 12 January 2012 that he served as an Independent Director amounts to S$18,958.

   Mr Tao Yeoh Chi's total remuneration for the period from 01 October 2011 to 12 January 2012 that he served as an Independent Director amounts to S$18,958.

   Mr Teh Wing Kwan's total remuneration for the period from 01 October 2011 to 12 January 2012 that he served as an Independent Director amounts to S$26,250.

Key Management Executives' Remuneration

	Salary %	Bonus %	Other Remuneration* %	Other Benefits** %	Total %
Between S$400,000 to S$499,999 (Between RMB2,043,318 to RMB2,554,143)					
Soh Chun Bin (CEO) [1]	28.68	-	41.37	29.95	100
Below S$250,000 (Below RMB1,277,074)					
Ding Jiang (General Manager of XinDe) [2]	83.44	16.56	-	-	100
Ang Iris (Chief Financial Officer) [3]	84.13	-	-	15.87	100
Lim Li Peng (Senior Finance Manager) [4]	39.93	8.41	-	51.66	100

Notes:

* Other Remuneration includes shares granted as remuneration.

** Other Benefits include granting of Share Options under the CSH Employee Share Option Scheme, benefits in kind and employer's contribution to Central Provident Fund.

1. Joined on 15 July 2012.
2. With effect from 22 February 2013, XinDe ceased to be a subsidiary of the company due to the completion of the Equity Transfer of the company's 51% equity stake in Jade Marketing & Distribution Pte. Ltd. to Talented Creation International Limited.
3. Resigned on 02 December 2011.
4. Joined on 25 January 2012.

The breakdown of the remuneration of the top executives of the Group is not disclosed in this Annual Report due to confidentiality and avoidance of poaching of the Company's staff.

The Company is not disclosing the remuneration of the Executive Directors and the CEO to the nearest thousand but in bands of S$100,000 as it believes that such detailed disclosure is not necessary for good corporate governance and wishes to keep it confidential for commercial reasons.

Further to the above and pursuant to Rule 704(10) of the Catalist Rules, the Company has disclosed in its full-year results announcement released via SGXNET on 01 March 2013, a list of persons occupying managerial positions who are related to any Director, Chief Executive Officer or Substantial Shareholders of the Group ("**Related Employee**"). The breakdown of Related Employee for the financial year ended 31 December 2012 is as follows:

	Salary %	Bonus %	Other Remuneration %	Other Benefits** %	Total %
Between S$150,000 to S$199,999 (Between RMB766,244 to RMB1,021,654)					
Yin Zhenwei Joyce	44.24	6.23	-	49.53	100

Notes:

** Other Benefits include granting of Share Options under the CSH Employee Share Option Scheme, benefits in kind and employer's contribution to Central Provident Fund.

AUDIT COMMITTEE

Principle 11: Establishment of Audit Committee with written terms of reference

To ensure that corporate governance is effectively practiced, the Directors have established self-regulatory and monitoring mechanisms, including the establishment of the AC, which comprises the following members:

Chua Cheow Khoon Michael (Chairman)	Lead Independent Director
Azman Hisham Bin Jaafar	Independent Director
Huang Chuan	Independent Director

The Company has adopted the Code in relation to the roles and responsibilities of the AC. The Charter provides for a minimum of four meetings a year, and at such other times as required.

The AC's primary function is to provide assistance to the Board of Directors in fulfilling its responsibilities relating to corporate accounting and auditing reporting practices of the Company, the quality and integrity of the financial reports of the Company and the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics established by the management and the Board.

The responsibilities of the AC include the following:

a) recommending the appointment or discharge of external auditors (subject to shareholders' approval) and in this connection, consider the independence and objectivity of the external auditors, review and recommend to the Board the compensation of the external auditors, review the scope and results of the audit and its cost effectiveness. Where the auditors also supply a substantial volume of non-audit services to the Company, review the nature and extent of such services, with the objective of balancing the maintenance of auditors' objectivity against cost effectiveness;

b) considering, in consultation with the external auditors, the audit scope and plan of external auditors on the coverage and effective use of audit resources;

c) reviewing with the external auditors, their audit reports;

d) reviewing the assistance given by the Company's officers to the external auditors;

e) reviewing the quarterly announcements and annual financial statements;

f) reviewing and assessing management processes, including but not limited to strategic planning, operations, performance measurement and reporting, to resist over-ambitious and unethical behaviour;

g) inquiring from management and external auditors about significant risks or exposures, and assess steps taken by management to minimise or control Company's exposure to such risks;

h) considering and reviewing with the external auditors at least annually the adequacy, effectiveness and efficiency of management process, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto;

i) maintaining free and open communication between Directors, external auditors and management;

j) meeting with the external auditors, management and any others considered appropriate in separate executive sessions to discuss any matters that the AC believes should be discussed privately and establish a practice to meet with the external auditors without the presence of management at least annually; and

k) reviewing all non-audit services provided by the Group's external auditors, Foo Kon Tan Grant Thornton LLP, if any.

The AC has in place a "Whistle Blowing" arrangement by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up action. Copies of the "Whistle Blowing" policy have been circulated to the employees and are also available at the Company's registered office.

Foo Kon Tan Grant Thornton LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and its appointment as the Company's external auditors was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009. In accordance with Rule 1204(6) of the Catalist Rules, the audit fees paid/payable to Foo Kon Tan Grant Thornton LLP for the period from 1 October 2011 to 31 December 2012 were S$340,000 (excluding disbursement and GST), including S$90,000 in relation to under-provision of audit fees for the period from 1 October 2010 to 30 September 2011. The non-audit fees paid for the period from 1 October 2011 to 31 December 2012 were S$130,000.

Foo Kon Tan Grant Thornton LLP was also appointed in the period from 1 October 2011 to 31 December 2012 to audit the accounts of the Company, its subsidiaries and its significant associated companies. The Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The AC reviewed the independence and objectivity of the external auditors as required under Section 206(1A) of the Companies Act and determined that the external auditors were independent in carrying out their audit of the financial statements. In accordance with Rule 1204(6)(b) of the Catalist Rules, the audit committee has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors. The AC has also reviewed the scope and quality of the external auditors' work before recommending the external auditors to the Board for re-appointment. After taking into account that the resources and experience of Foo Kon Tan Grant Thornton LLP and the audit engagement partner assigned to the audit, Foo Kon Tan Grant Thornton LLP's other audit engagement, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned by Foo Kon Tan Grant Thornton LLP for the audit, the AC is of the view that Foo Kon Tan Grant Thornton LLP is able to meet its audit obligations. Together with the Board, the AC recommends the re-appointment of Foo Kon Tan Grant Thornton LLP at the forthcoming Annual General Meeting.

The AC has full access to the external auditors without the presence of management and is authorized to have full and unrestricted access to management and all personnel, records, operations, properties and other informational sources of the Company as required or desirable to properly discharge its responsibilities. The AC has full discretion to invite any Director or executive officer to its meetings and has the authority to conduct or authorize investigations into any matters within its scope of responsibilities.

Internal Controls & Internal Audit

Principle 12: Sound system of internal controls

Principle 13: Setting up independent internal audit function

The Board acknowledges that it is responsible for the overall internal control framework but also recognises that all internal control systems contain inherent limitations and that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against mis-statement or loss. The AC reviews regularly the effectiveness of the Group's internal controls, including but not limited to financial, operational and compliance controls. In particular, the Group has adopted the Ethics as well as a "Whistle Blowing" policy to ensure that there is no irregularity in the Company's business dealings and there is a system of integrity and reliability.

Whilst the Company recognizes the importance of having a system of internal controls designed to provide reasonable assurance that assets are safeguarded and financial reporting is reliable, the Board recognizes that no internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud and other irregularities. The system is designed to manage rather than eliminate risk of failure to achieve of the business objectives.

At present, the Board relies on external audit reports and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses. There were no major internal control weaknesses highlighted by the external auditors for the attention of Audit Committee for the period from 1 October 2011 to 31 December 2012.

The Group's external auditors, Foo Kon Tan Grant Thornton LLP, contribute an independent perspective on relevant internal controls arising from their audit and report their findings to the AC. The AC is satisfied that the independence of the external auditors is not compromised by any other material relationship with the Company and there are adequate internal controls in the Group including financial, operational and compliance controls, and risk management systems.

The Board has also received assurance from the CEO and the Senior Finance Manager:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) regarding the effectiveness of the Company's risk management and internal controls system.

In FY2012, the Company announced the equity transfer and land purchase, deregistration of Indonesia-based subsidiary and transfer of Jade Commodities & Resources Pte. Ltd. Taking into account of the Company's corporate structure and scope of operations, the Board is of the opinion that the internal audit performed by the external auditor in FY2012 is adequate.

In February 2013, the Company completed the acquisition of Yess Le Green Pte. Ltd. and West Themes Pte. Ltd. The Board recognizes that with the scope of continuing operations expanded, the internal audit function will have to be performed by an independent professional audit firm. In March 2013, the Company engaged Pioneer Management Services Pte Ltd ("**Pioneer**") to conduct an internal audit on the Group to determine whether the Group's checks and balances and controls are adequate. Pioneer will report directly to the Audit Committee and would provide reports to Audit Committee on a timely basis.

The Audit Committee will continue to review and monitor the Group's internal controls and risk management practices, taking into consideration the risks which the Group is exposed to, the likelihood of occurrence of such risks and the costs of implementing controls. Based on the internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by the management, Audit Committee and the Board, the Board with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, are adequate as at 31 December 2012.

KEY OPERATIONAL RISKS

The Board is aware of the risks which may adversely affect the Company's financial performance, financial position and cash flows in the event that any of these risk factor uncertainties develops into actual events. The Board thinks that the following risks could specifically affect the Company (please note that these are non-exhaustive):

Risk of business integration and continuity - The Company has recently acquired two new subsidiaries, YLG and WT. With the acquisition, the Company's Management will face challenges in integrating the new business and the employees into the Group. As such, to ease the integration and ensure continuity of management, key employees of YLG and WT have entered into new employment contracts for a minimum period of 3 years. They will also be entitled to enjoy the existing personnel policies implemented by the Company for the current staff, including participation in the CSH Employee Share Option Scheme.

Risk of land development – With the completion of the Equity Transfer Agreement, the Company has acquired a 25% economic interest in a piece of land in Kaiyang County, Guizhou Province. The Company will be collaborating with the Hua Cheng group for the development of this land and sharing a 25% economic benefit therefrom. The development of the land in the PRC will involve risks, including requiring a significant capital outlay for construction costs, complying with PRC regulations, engaging third party contractors and other professionals.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Regular, effective and fair communication with shareholders

Principle 15: Shareholders participation at AGM

Information is communicated to shareholders on a timely basis. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable. Communication is made through:

- annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual reports include all relevant information about the Group, including future developments and other disclosures required under the Catalist Rules and the relevant accounting standards;
- quarterly financial statements containing a summary of the financial information and affairs of the Group for the period;
- notices of and explanatory memoranda for annual general meetings and extraordinary general meetings ("**Notices**");
- replies to email queries from shareholders;
- disclosures to the SGX-ST and the shareholders by releasing announcements via SGXNET; and
- circulars or letters to shareholders to provide the shareholders with more information on its major transactions.

The Notices are advertised in the press and published via SGXNET. The results of all general meetings are also published via SGXNET. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at all general meetings of the Company by proxies. Proxy forms can be sent to the Company's Share Registrar by mail. At all general meetings, each distinct issue is voted via a separate resolution.

The Board regards the general meetings as opportunities to communicate directly with the shareholders and encourages greater shareholder participation. As such, the shareholders are encouraged to attend general meetings of the Company to grasp a better understanding of the Group's businesses and be informed of the Group's strategic goals and objectives. Notices of general meetings are dispatched to the shareholders at least 14 days before the meeting if ordinary businesses are to be transacted at the meeting or at least 21 days before the meeting if special businesses are to be transacted at the meeting.

General meetings of the Company will be chaired by the Chairman and are also attended by other Directors, the management, the Company Secretary and if necessary, the external auditors. At all general meetings, shareholders are given the opportunity to air their views and to ask the Chairman, the individual Directors and the Chairmen of Board Committees questions regarding the Company. The external auditors are also present to assist the Board in answering the relevant shareholders' queries.

Shareholders and the public can access information on the Group website at: www.cedarstrategic.com

INTERNAL COMPLIANCE CODE ON DEALINGS IN COMPANY'S SECURITIES

The Company has its own internal compliance code to provide guidance for both Directors and employees (including employees with access to price-sensitive information on the Company's shares) on dealings in the Company's securities, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204 (19) of the Catalist Rule, the Company issues a directive informing the Directors and employees that they are not allowed to deal in the Company's shares during the period commencing two weeks before the date of results announcement for each of the first three quarters of the Company's financial year and one month before the date of announcement of the annual results. These trading restrictions end on the date of the results announcement. Additionally, both Directors and employees are prohibited from dealing in securities of the Company while in possession of price-sensitive information. They are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the AC and the Board to monitor such share transactions and make the necessary announcements.

An officer of the Company should not deal in the Company's securities on short-term considerations.

The Board confirms that for financial year ended 31 December 2012, the Company has complied with Rule 1204(19) of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS
(Catalist Rule 907)

The Group has established procedures to ensure that all transactions with interested persons are properly documented and reported on a timely manner to the AC on a quarterly basis and that the transactions are conducted on an arm's length basis and are not prejudicial to the interest of the shareholders in accordance with the internal controls set up by the Company on interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

There was no interested person transaction during the period under review.

MATERIAL CONTRACTS
(Catalist Rule 1204(8))

Mr Zhao Yanshi, a director of the Company, who is also the sole director and shareholder of BioMissile Medical Ltd, is a party to the Deed of Novation dated 16 August 2012 entered into in relation to the divestment of the entire issued share capital of Jade Marketing & Distribution Pte. Ltd. by the Company and BioMissile Medical Ltd to Imagine Un Limited. Save as disclosed in the Equity Transfer, Land Purchase and Novation announcement made on SGXNET on 23 August 2012, Director's Report and these financial statements, there were no material contracts of the Company or its subsidiary involving the interest of any director or controlling shareholders subsisting at the end of the period from 1 October 2011 to 31 December 2012 or if not then subsisting, entered into since the end of the previous financial year.

RISK MANAGEMENT
(Catalist Rule 1204(4)(b)(iv))

The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The management reviews all the significant control policies and procedures and highlight all significant findings to the Directors and the Audit Committee.

NON-SPONSOR FEES
(Catalist Rule 1204(21))

No non-sponsor fees were paid to Stamford Corporate Services Pte Ltd for the financial year ended 31 December 2012. However, an amount of approximately S$148,000 was paid to Stamford Law Corporation, an affiliate of Stamford Corporate Services Pte Ltd for legal fees and expenses for the period from 1 October 2011 to 31 December 2012.

USE OF PROCEEDS
(Catalist Rule 1204(22))

Pursuant to the Rights Shares and Warrants Issue, the Company issued 1,833,538,149 Rights Shares at S$0.010 per share and 611,178,784 free detachable warrants on 15 November 2010. Of the gross proceeds of S$18.34 million raised, the unutilized portion is S$13.06 million as at 31 December 2012 and the details are as follows:

Intended Use	Amount Allocated (S$ million)	Amount Utilised (S$ million)
Potential acquisition or investments in and/or acquisitions of titanium dioxide related assets	**Up to 16.00**	**1.14**
General working capital - Professional fees - Admin and office expenses	**Up to 4.00**	 **1.03** **2.83**
Rights issue expense	**0.30**	**0.28**
Actual (Gross Proceeds / Total Utilised)	**18.34**	**5.28**

EMPLOYEE SHARE OPTION SCHEME
(Catalist Rule 1204(16))

On 21 August 2009, shareholders approved the CSH Employee Share Option Scheme (previously known as CTL Employee Share Option Scheme). Information on the scheme can be found on page 31 of the Annual Report.

Financial Statements

Directors' Report

for the financial period from 1 October 2011 to 31 December 2012

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial period from 1 October 2011 to 31 December 2012.

Names of directors

The directors of the Company in office at the date of this report are:

Dr In Nany Sing Charlie (Executive Chairman)
Peng Weile Leo (Executive Director) (Appointed on 20 January 2012)
Chua Cheow Khoon Michael (Lead Independent Director) (Appointed on 19 December 2011)
Azman Hisham bin Jaafar (Independent Director) (Appointed on 20 January 2012)
Huang Chuan (Independent Director) (Appointed on 1 October 2012)
Zhao Yanshi (Non-executive Director) (Appointed on 20 January 2012)

Arrangements to acquire shares, debentures, warrants or options

During and at the end of the financial period, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial period was interested in shares, debentures or warrants of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.10.2011/ date of appointment	As at 31.12.2012	As at 1.10.2011/ date of appointment	As at 31.12.2012
The Company - Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.)				
Ordinary shares				
Dr In Nany Sing Charlie	174,913,000	-	-	-
Zhao Yanshi	-	174,913,000	408,741,052	408,741,052
Warrants				
Dr In Nany Sing Charlie	333,333	-	-	-
Zhao Yanshi	-	-	642,148	-

Directors' interest in shares, debentures, warrants or options (cont'd)

On 3 October 2011, Dr In Nany Sing Charlie transferred 174,913,000 shares to Mr Zhao Yanshi pursuant to a Sale and Purchase Agreement.

Mr Zhao Yanshi's deemed interest is held under Blessed Forever Ltd through Maybank Kim Eng Securities Pte. Ltd. as its nominee.

As at 21 January 2013 (the 21st day after the end of the financial year), the direct and deemed interest of Mr Zhao Yanshi remains the same as at 31 December 2012 as disclosed on page 29.

Dr In Nany Sing Charlie's and Mr Zhao Yanshi's warrants were issued and alloted on 15 November 2010. The warrants expired on 14 November 2012.

There are no changes to the above shareholdings between the end of the financial period and the date of this report, save for the share lending arrangement of 200,000,000 shares between Blessed Forever Ltd and Paromay Limited.

Dr In Nany Sing Charlie, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to be interested in the whole of the issued share capital of all the wholly-owned subsidiaries of the Company, and in the shares held by the Company in the following subsidiary that is not wholly owned by the Group:

	As at 1.10.2011	As at 31.12.2012
	Number of ordinary shares	
Jade Marketing & Distribution Pte. Ltd.	100,000	-

According to the register of directors' shareholdings, certain directors holding office at the end of the financial period had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme as set out below:

	As at 1.10.2011	As at 31.12.2012
	Number of unissued ordinary shares under option	
Zhou Wei Jian	20,000,000	32,500,000
Dr In Nany Sing Charlie	10,000,000	45,000,000
Chua Cheow Khoon Michael	-	12,500,000
Azman Hisham Bin Jaafar	-	12,500,000
Zhao Yanshi	-	10,000,000
Peng Weile Leo	-	10,000,000

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 13 to the financial statements.

Share Option Scheme

At an Extraordinary General Meeting of the Company held on 21 August 2009, shareholders approved the Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) Employee Share Option Scheme (previously known as Jade Technologies Holdings Ltd. Employee Share Option Scheme) (the "Scheme"). The Scheme is administered by the Company's Remuneration Committee whose members are all independent directors of the Company. Under the Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and development of the Group. The Scheme aligns the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options may be granted pursuant to the Scheme, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Options with exercise prices which are equal to or higher than the market price granted to employees who, as of the date of grant, have been in the employment of the Group for a period of twelve months or more, may be exercised one year after the date of grant. Options which are granted to employees who have been in the employment of the Group for less than twelve months as of the date of grant may be exercised two years after the date of grant. Options which are granted to directors may be exercised one year after the date of grant.

Options granted to employees and non-executive directors expire after ten and five years from the date of grant respectively.

Irrespective of an employee's period of employment with the Group as of the date of grant, all options with exercise prices which represent a discount to the market price may be exercised two years after the date of grant.

If a variation in the issued share capital of the Company occurs (whether by way of a capitalisation of profits or reserves or a rights issue or the conversion of convertible loan stock or other debt securities or a reduction, subdivision or consolidation of shares), the subscription price in respect of shares comprised in an option to the extent unexercised, the class and/or number of shares comprised in an option to the extent unexercised or in respect of which additional options may be granted under the Scheme and the maximum entitlement in any financial period shall be adjusted in such a manner as the Remuneration Committee may determine to be appropriate.

Share Option Scheme (cont'd)

Details of options granted to directors and employees under the Scheme are as follows:

	Options granted for period from 01.10.2011 to 31.12.2012	Aggregate options granted since commencement of the Scheme to 31.12.2012	Aggregate options forfeited/ lapsed since commencement of the Scheme to 31.12.2012	Aggregate options outstanding as at 31.12.2012
Directors				
Zhou Wei Jian (resigned on 01.1.2013)	12,500,000	32,500,000	-	32,500,000
Dr In Nany Sing Charlie	35,000,000	45,000,000	-	45,000,000
Chua Cheow Khoon Michael	12,500,000	12,500,000	-	12,500,000
Azman Hisham bin Jaafar	12,500,000	12,500,000	-	12,500,000
Zhao Yanshi	10,000,000	10,000,000	-	10,000,000
Peng Weile	10,000,000	10,000,000	-	10,000,000
Former directors	-	26,000,000	(26,000,000)	-
Others				
Employees	95,000,000	127,000,000	(19,000,000)	108,000,000
	187,500,000	275,500,000	(45,000,000)	230,500,000

There have been no options granted to the directors, controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited) other than those disclosed above. No employee has received 5% or more of the total number of options available under the Scheme. No options were granted at a discount during the period from 1 October 2011 to 31 December 2012.

Unissued shares under option

The unissued shares of the Company under option as at 31 December 2012 are as follows:

Date of grant of options	Balance at 1.10.2011	Granted during the period from 1 October 2011 to 31 December 2012	Forfeited/ Lapsed during the period	Balance at 31.12.2012	Exercise price per share	Number of option holders at 31.12.2012	Exercise period
29.9.2009	3,000,000	-	(3,000,000)	-	S$0.03	-	29.9.2010 to 28.9.2014
25.5.2010	10,000,000	-	-	10,000,000	S$0.02	1	25.5.2011 to 24.5.2015
25.5.2010	38,000,000	-	(5,000,000)	33,000,000	S$0.02	3	25.5.2012 to 24.5.2020
30.8.2012	-	187,500,000	-	187,500,000	S$0.004	10	30.8.2013 to 29.8.2022
	51,000,000	187,500,000	(8,000,000)	230,500,000			

There are no unissued shares of subsidiaries under option as at 31 December 2012.

Except as disclosed above, no shares have been issued during the financial period from 1 October 2011 to 31 December 2012 by virtue of the exercise of the options to take up unissued shares of the Company.

Warrants

The Company undertook a renounceable non-underwritten rights shares and warrants issue on the basis of three rights shares for every four existing ordinary shares and one free detachable warrant for every three rights shares subscribed. 1,833,538,149 rights shares at an issue price of S$0.010 per share and 611,178,784 warrants with each carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.003 within the exercisable period of two periods from issuance were allotted and issued on 15 November 2010.

During the financial period from 1 October 2011 to 31 December 2012, 249,077,864 warrants (2011: 108,282,026 warrants) were exercised and converted into ordinary shares in the capital of the Company. The remaining 253,818,894 warrants have expired on 14 November 2012.

Except as mentioned above, no shares have been issued during the financial period from 1 October 2011 to 31 December 2012 by virtue of the exercise of warrants to take up unissued shares of the Company.

Change of company name

Pursuant to an Extraordinary General Meeting held on 7 December 2012, the name of the Company was changed to Cedar Strategic Holdings Ltd.

Change of financial year end

Pursuant to a Board resolution dated 23 August 2012, the Company changed its financial year end from September to December and accordingly, the financial statements for the current period will cover a period of 15 months from 1 October 2011 to 31 December 2012.

Audit Committee

The Audit Committee ("AC") comprises the following members:

Chua Cheow Khoon Michael (Chairman)
Azman Hisham bin Jaafar
Huang Chuan

The AC performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. The responsibilities of the AC include the following:

a) recommends the appointment or discharge of external auditors (subject to shareholders' approval) and in this connection, consider the independence and objectivity of the external auditors, review and recommend to the Board the compensation of the external auditors, review the scope and results of the audit and its cost effectiveness. Where the auditors also supply a substantial volume of non-audit services to the Company, review the nature and extent of such services, with the objective of balancing the maintenance of auditors' objectivity against cost effectiveness;

b) considers, in consultation with the external auditors, the audit scope and plan of external auditors on the coverage and effective use of audit resources;

c) reviews with the external auditors, their audit reports;

d) reviews the assistance given by the Company's officers to the external auditors;

e) reviews the quarterly announcements and annual financial statements;

f) reviews and assesses management processes, including but not limited to strategic planning, operations, performance measurement and reporting, to resist over-ambitious and unethical behaviour;

g) inquires from management and external auditors about significant risks or exposures, and assess steps taken by management to minimise or control the Company's exposure to such risks;

h) considers and reviews with external auditors at least annually the adequacy, effectiveness and efficiency of management process, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto;

i) maintains free and open communication between the directors, external auditors and management;

j) meets with the external auditors, management and any others considered appropriate in separate executive sessions to discuss any matters that the AC believes should be discussed privately and establishes a practice to meet with the external auditors without the presence of management at least annually; and

k) reviews all non-audit services provided by the external auditors, if any.

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The AC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

Audit Committee (cont'd)

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditor, Foo Kon Tan Grant Thornton LLP, Certified Public Accountants, be re-appointed as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Foo Kon Tan Grant Thornton LLP, Certified Public Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
DR IN NANY SING CHARLIE

....
PENG WEILE LEO

Dated: 18 March 2013

Statement by Directors

for the financial period from 1 October 2011 to 31 December 2012

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the results of the business, changes in equity and cash flows of the Group for the for the financial period from 1 October 2011 to 31 December 2012 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

....
DR IN NANY SING CHARLIE

....
PENG WEILE LEO

Dated: 18 March 2013

Independent Auditor's Report

to the members of Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.)

Report on the financial statements

We have audited the accompanying financial statements of Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial period from 1 October 2011 to 31 December 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report

to the members of Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and the results, changes in equity and cash flows of the Group for the financial period from 1 October 2011 to 31 December 2012.

Emphasis of matter

Without qualifying our opinion, we draw attention to Notes 2(a) and 8 to the financial statements, which provide disclosures on significant judgements made on the classification of assets or disposal group held for sale, and significant estimates used to measure the fair value less costs to sell of the assets or disposal group held for sale and the sensitivity of reasonable possible changes in key assumptions which would cause the fair value less costs to sell of the assets or disposal group held for sale to be lower than the carrying amount.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Certified Public Accountants

Singapore, 18 March 2013

Statements of Financial Position

as at 31 December 2012

		The Group		The Company	
		31 December 2012	30 September 2011	**31 December 2012**	30 September 2011
	Note	**RMB'000**	RMB'000	**RMB'000**	RMB'000
ASSETS					
Non-Current Assets					
Intangible assets	3	**24**	54	**24**	54
Plant and equipment	4	**38**	42	**38**	42
Subsidiaries	5	**-**	-	**-**	-
		62	96	**62**	96
Current Assets					
Trade and other receivables	6	**2,576**	412	**2,576**	412
Cash and cash equivalents	7	**66,241**	80,533	**66,241**	80,260
		68,817	80,945	**68,817**	80,672
Disposal group classified as held for sale	8	**147,975**	87,061	**28,839**	63,077
		216,792	168,006	**97,656**	143,749
Total assets		**216,854**	168,102	**97,718**	143,845
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	9	**407,932**	402,703	**407,932**	402,703
Reserves	10	**(303,393)**	(251,680)	**(315,676)**	(261,806)
		104,539	151,023	**92,256**	140,897
Non-controlling interests		**13,013**	13,052	**-**	-
Total equity		**117,552**	164,075	**92,256**	140,897
Current Liabilities					
Trade and other payables	11	**5,462**	3,767	**5,462**	2,948
Current tax payable		**-**	-	**-**	-
		5,462	3,767	**5,462**	2,948
Disposal group classified as held for sale	8	**93,840**	260	**-**	-
Total liabilities		**99,302**	4,027	**5,462**	2,948
Total equity and liabilities		**216,854**	168,102	**97,718**	143,845

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Comprehensive Income

for the financial period from 1 October 2011 to 31 December 2012

	Note	Period from 1 October 2011 to 31 December 2012 RMB'000	Year ended 30 September 2011 RMB'000
Continuing operations			
Other income	12	**261**	25
Administrative expenses		**(22,207)**	(12,682)
Other operating expenses		**(2,805)**	(5,067)
Loss before taxation from continuing operations		**(24,751)**	(17,724)
Taxation	14	**-**	-
Loss after taxation from continuing operations		**(24,751)**	(17,724)
(Loss)/profit from discontinued operation, net of tax	15	**(34,846)**	2,998
Loss for the period/ year	13	**(59,597)**	(14,726)
Other comprehensive income after tax:			
Reclassification adjustment of foreign currency translation reserve to profit and loss arising from the disposal of a subsidiary		**4,415**	-
Foreign currency translation differences		**(368)**	151
Other comprehensive income for the period/ year, net of tax of nil		**4,047**	151
Total comprehensive income for the period/ year		**(55,550)**	(14,575)
Loss attributable to:			
Owners of the Company			
- loss from continuing operations, net of tax		**(24,751)**	(17,724)
- (loss)/profit from discontinued operation, net of tax	15	**(34,791)**	952
		(59,542)	(16,772)
Non-controlling interests			
- (loss)/profit from discontinued operation, net of tax	15	**(55)**	2,046
		(59,597)	(14,726)
Total comprehensive income attributable to:			
Owners of the Company		**(55,495)**	(16,057)
Non-controlling interests		**(55)**	1,482
		(55,550)	(14,575)
(Loss)/earnings per share (Fen) attributable to owners of the Company			
From continuing and discontinued operations			
- basic	16.1	**(1.34)**	(0.40)
- diluted	16.2	**(1.34)**	(0.40)
From continuing operations			
- basic	16.1	**(0.56)**	(0.42)
- diluted	16.2	**(0.56)**	(0.42)
From discontinued operation			
- basic	16.1	**(0.78)**	0.02
- diluted	16.2	**(0.78)**	0.02

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

for the financial period from 1 October 2011 to 31 December 2012

	Share capital RMB'000	Capital reduction reserve RMB'000	Statutory common reserve RMB'000	Share option reserve RMB'000	Warrant reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 October 2010	315,066	79,151	1,836	1,493	-	21,163	(347,530)	71,179	11,653	82,832
Total comprehensive income for the year	-	-	-	-	-	715	(16,772)	(16,057)	1,482	(14,575)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Rights issue of ordinary shares	84,208	-	-	-	8,369	-	-	92,577	-	92,577
Issue of ordinary shares from exercise of warrants	3,156	-	-	-	(1,483)	-	-	1,673	-	1,673
Issue of remuneration shares	273	-	-	-	-	-	-	273	-	273
Equity-settled share option expenses	-	-	-	1,378	-	-	-	1,378	-	1,378
Transfer to statutory common reserve	-	-	362	-	-	-	(362)	-	-	-
Total contributions by and distributions to owners	**87,637**	**-**	**362**	**1,378**	**6,886**	**-**	**(362)**	**95,901**	**-**	**95,901**
Changes in ownership interests in subsidiaries										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(83)	(83)
Balance at 30 September 2011	**402,703**	**79,151**	**2,198**	**2,871**	**6,886**	**21,878**	**(364,664)**	**151,023**	**13,052**	**164,075**
Total comprehensive income for the period	-	-	-	-	-	4,047	(59,542)	(55,495)	(55)	(55,550)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of ordinary shares from exercise of warrants	4,207	-	-	-	(399)	-	-	3,808	-	3,808
Issue of remuneration shares	1,022	-	-	-	-	-	-	1,022	-	1,022
Issue of warrants	-	-	-	-	2,920	-	-	2,920	-	2,920
Equity-settled share option expenses	-	-	-	1,261	-	-	-	1,261	-	1,261
Expired warrants transferred to accumulated losses	-	-	-	-	(6,487)	-	6,487	-	-	-
Total contributions by and distributions to owners	**5,229**	**-**	**-**	**1,261**	**(3,966)**	**-**	**6,487**	**9,011**	**-**	**9,011**
Changes in ownership interests in subsidiaries										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	16	16
Balance at 31 December 2012	**407,932**	**79,151**	**2,198**	**4,132**	**2,920**	**25,925**	**(417,719)**	**104,539**	**13,013**	**117,552**

Consolidated Statement of Cash Flows

for the financial period from 1 October 2011 to 31 December 2012

	Note	Period from 1 October 2011 to 31 December 2012 RMB'000	Year ended 30 September 2011 RMB'000
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(24,751)**	(17,724)
(Loss)/profit before taxation from discontinued operation		**(34,846)**	4,438
Total loss before taxation		**(59,597)**	(13,286)
Adjustments for:			
Amortisation of intangible assets	3	**30**	1,212
Depreciation of plant and equipment	4	**11**	42
Equity-settled share option expenses		**2,283**	1,651
Issue of warrants		**2,920**	-
Loss on deregistration/disposal of subsidiaries, net	13	**4,296**	-
Negative goodwill arising from business combination	21	**(1,174)**	-
Loss on disposal of plant and equipment	13	**-**	12
Interest income	12	**(252)**	(25)
Operating loss before working capital changes		**(51,483)**	(10,394)
Trade and other receivables		**95,321**	21,405
Trade and other payables		**(26,966)**	(24,974)
Inventories		**1,197**	-
Cash generated from/(used in) operations		**18,069**	(13,963)
Income taxes paid		**-**	(2,689)
Net cash generated from/(used in) operating activities		**18,069**	(16,652)
Cash Flows from Investing Activities			
Interest received		**252**	25
Purchase of plant and equipment		**(63,228)**	(27)
Acquisition of a subsidiary (net of cash acquired)	21	**4,438**	-
Net cash used in investing activities		**(58,538)**	(2)
Cash Flows from Financing Activities			
Issue of ordinary shares from exercise of warrants, net of expenses incurred		**3,808**	-
Proceeds from bank overdraft		**43,396**	-
Bank deposit pledged	7	**(48,624)**	-
Repayment of bank loan		**(20,771)**	-
Proceeds from issue of ordinary shares		**-**	94,250
Net cash (used in)/generated from financing activities		**(22,191)**	94,250
Net (decrease)/increase in cash and cash equivalents		**(62,660)**	77,596
Cash and cash equivalents at beginning of period/year		**80,607**	3,012
Exchange differences on translation of cash and cash equivalents at beginning of period/year		**(210)**	(1)
Cash and cash equivalents at end of period/year	7	**17,737**	80,607

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) (the "Company") and its subsidiaries (the "Group") for the period from 1 October 2011 to 31 December 2012 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company and domiciled in the Republic of Singapore. With effect from 7 December 2012, the name of the Company was changed from China Titanium Ltd. to Cedar Strategic Holdings Ltd.

The registered office is located at 133 New Bridge Road #15-06, Chinatown Point, Singapore 059413.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are as stated in Note 5.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi which is the Group's functional currency. All financial information is presented in Renminbi and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are detailed below:

Critical assumptions used and accounting estimates in applying accounting policies

Impairment of subsidiaries
The Company assesses at the end of each reporting period whether there is any indication that the investments in subsidiaries may be impaired. If any indication exists, the investment is tested for impairment. The determination of the recoverable amount requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

Impairment of intangible assets
Intangible assets are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered impairment loss. If any such indication exists, the assets are tested for impairment. The recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in statement of comprehensive income.

2(a) Basis of preparation (cont'd)

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the growth rate and discount rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's results.

Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

Income tax

Significant judgement is involved in determining provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value less costs to sell of disposal group held for sale

Disposal group classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. In the event that the carrying amount of the disposal group is higher than its fair value less costs to sell, an impairment loss is recognised for any write-down of the disposal group to fair value less costs to sell.

Where there is no binding sale agreement or active market for the disposal group, fair value less costs to sell is based on the best information available to reflect the amount that the Group could obtain, from the disposal of the disposal group in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. This requires extensive use of accounting estimates. Significant components of fair value are estimated using assumptions including growth rate and discount rate. The amount of fair value and any impairment loss would differ if there are changes to the assumptions used and as a result affect the Group' statement of comprehensive income.

Critical judgements made in applying accounting policies

Intangible assets

In 2009, the Group acquired the rights to trade, market and distribute titanium dioxide related products manufactured by Daqing XinLong Chemical Company Ltd ("XL") in the People's Republic of China for a period of 20 years (referred to hereinafter as the "Economic Rights").

In connection with the acquisition, Jade Marketing & Distribution Pte Ltd ("JMD") was incorporated. The Company and BioMissile Medical Ltd own 51% and 49% interest in the issued share capital of JMD respectively. JMD incorporated a wholly-owned subsidiary, Daqing XinDe Chemical Marketing & Distribution Ltd ("XD"), for the intended purpose of trading, marketing and distribution of titanium dioxide related products manufactured by XL for a period of 20 years.

2(a) Basis of preparation (cont'd)

Critical judgements made in applying accounting policies (cont'd)

Intangible assets (cont'd)

Management had evaluated the facts and circumstances and concluded that the Group had acquired a separately identifiable intangible asset. Accordingly, the costs relating to the acquisition of the Economic Rights were capitalised. The useful life of the Economic Rights is determined to be 20 years as this is the length of time that management expects the benefits of the Economic Rights to flow to the Group.

Following the Group's successful acquisition of the entire registered capital of XL in February 2012, the economic rights previously acquired by the Group to trade, market and distribute titanium dioxide related products manufactured by XL ceased and accordingly, management wrote off the carrying amount of the economic rights acquired against the negative goodwill arising from the acquisition of XL as disclosed in note 21 to the financial statements.

Determination of functional currency

XD commenced business operations in 2010. XD's sales and purchases and cash flows are denominated in Renminbi. Except for XD, the rest of the entities in the Group have been inactive. In determining the Company's functional currency to be Renminbi, judgement is required to determine the currency that mainly influences the Company's operating, investing and financing activities. The functional currency of the Company is determined based on management's assessment of the currency that most faithfully represents the economic effects of the Company underlying transactions, events and conditions.

Classification of disposal group held for sale and discontinued operation

On 13 May 2011, the board of directors announced that the Company received an offer from Imagine Un Limited ("IUL"), a company listed on the Australian Stock Exchange, to acquire the Company's 51% interest in the issued share capital of Jade Marketing & Distribution Pte. Ltd. On 23 August 2012, the board of directors announced that instead of the Divestment, the Company has entered into an Equity Transfer Agreement dated 16 August 2012 with Trechance Holdings Limited, Talented Creation International Limited ("TCI") and Mr. Ji Yu Dong ("JYD"). JYD is the major shareholder of Hua Cheng group of companies which is a major property developer group based in Guizhuo Province, PRC. Pursuant to the Equity Transfer Agreement, the Company has agreed to transfer to TCI all its beneficial interest and title in its 51% equity interest in JMD and 100% interest in JRE as well as its rights and obligations under the previous proposed divestment for a consideration of RMB 180 million.

Notwithstanding the changes with regards to the proposed divestment of JMD and JRE to IUL, the board of directors considered the criteria to classify as disposal group held for sale and discontinued operation continued to be met at that date for the following reasons:

(i) The plan to divest the Group's titanium dioxide business in the trading segment has not changed, and management has subsequently entered into negotiations with TCI to sell the disposal group in the segment; and

(ii) The disposal group is available for immediate sale in their present condition to TCI, subject only to usual and customary terms and conditions precedent pertaining to the offer from TCI.

If the criteria are no longer met, any resulting impairment loss, depreciation and amortisation arising from the remeasurement of the disposal group as detailed in the accounting policy on "disposal group held for sale" would affect the Group's statement of comprehensive income.

Notes to the Financial Statements

for the financial period from 1 October 2011 to 31 December 2012

2(a) Basis of preparation (cont'd)

Share option expenses
The Group measures equity-settled share option expenses by reference to the fair value at the date of the grant. Judgement is required in determining the most appropriate valuation model for the share option expenses, depending on the terms and conditions of the grant. For share options, management is also required to use judgement in determining the most appropriate inputs to the valuation model, including the expected life of the option, volatility and dividend yield.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) Interpretations and amendments to published standards effective in 2012

On 1 October 2011, the Group adopted the amended FRS that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS. This includes the following FRS which are relevant to the Group:

Reference	Description
FRS 12	Deferred Tax – Recovery of Underlying Assets
FRS 107	Disclosures – Transfers of Financial Assets

The adoption of the amended FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current period or prior financial year.

2(c) FRS not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1	Presentation of items of Other Comprehensive Income	01.01.2013
Revised FRS 19	Employee Benefits	01.01.2013
Revised FRS 27	Separate Financial Statements	01.01.2014
Revised FRS 28	Investments in Associates and Joint Venture	01.01.2014
FRS 32	Amendments to FRS 32: Offsetting Financial Assets and Financial Liabilities	01.01.2014
FRS 107	Amendments to FRS 107: Disclosures – Offsetting Financial Assets and Financial Liabilities	01.01.2013
FRS 110	Consolidated Financial Statements	01.01.2014
FRS 110	Amendments to FRS 110, FRS111 and FRS112: Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in other Entities: Transitional Guidance	01.01.2014
FRS 111	Joint Arrangements	01.01.2014
FRS 112	Disclosure of Interests in Other Entities	01.01.2014
FRS 113	Fair Value Measurement	01.01.2013
Improvements to FRSs 2012		01.01.2014

Except for the amendments to FRS 1, the directors do not anticipate the adoption of the above FRS in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(c) FRS not yet effective (cont'd)

The nature of the impending changes in accounting policy on adoption of the amendments to FRS 1 is described below.

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*
The amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* (OCI) are effective for financial period beginning on or after 1 July 2012.

The amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be classified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2(d) Summary of significant accounting policies

Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiaries made up to the end of the financial period. Information on its subsidiaries is given in Note 5.

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Acquisition of businesses
The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

2(d) Summary of significant accounting policies (cont'd)

Consolidation (cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

<u>Disposals of subsidiaries or businesses</u>
When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to statement of comprehensive income or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in the statement of comprehensive income.

Subsidiaries are stated at cost less allowance for impairment losses, if any, in the statement of financial position of the Company.

<u>Transactions with non-controlling interests</u>
Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

<u>Economic rights</u>
Economic rights relate to the rights to trade, market and distribute titanium dioxide related products produced by a manufacturer. Economic rights are amortised on a straight-line basis over the contractual period of 20 years.

<u>Computer software</u>
Costs relating to computer software acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over the estimated useful life of 3 to 5 years.

2(d) Summary of significant accounting policies (cont'd)

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Office equipment	3 to 5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial period in which it is incurred.

For acquisitions and disposals during the financial period, depreciation is recognised in the statement of comprehensive income from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the end of the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in statement of comprehensive income when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

<u>Loans and receivables</u>
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Loans and receivables include trade and other receivables. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or writeback is recognised in statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits.

Disposal group held for sale

Disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in statement of comprehensive income. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

If the criteria to classify as held for sale are no longer met, the assets, or disposal group, are remeasured at the lower of the carrying amount before the classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets or disposal group not been classified as held for sale, and the recoverable amount at the date of the subsequent decision not to sell.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Warrant reserve

The fair value ascribed to warrants less issue expenses is credited as a reserve in equity under warrant reserve and the related balance is transferred to the share capital account as and when the warrants are exercised. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

Financial liabilities

The Group's financial liabilities comprise trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in "finance cost" in statement of comprehensive income. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

2(d) Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Leases

Where the Group is the lessee,

Operating leases
Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in statement of comprehensive income when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a transaction which is recognised either in other comprehensive income or directly in equity.

2(d) Summary of significant accounting policies (cont'd)

Employee benefits

Pension obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged statement of comprehensive income in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Employee Share Option Scheme

The Company has an employee share option plan for the granting of non-transferable options.

The Group issues equity-settled share options to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in statement of comprehensive income with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in statement of comprehensive income, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to the share capital account when new ordinary shares are issued.

Remuneration shares

The fair value of shares issued to employees for services to be received over the service period is classified as prepaid remuneration shares at the date of issue of the shares, and recognised as an expense in statement of comprehensive income when services are rendered by the employees over the service period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2(d) Summary of significant accounting policies (cont'd)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is recognised as income in statement of comprehensive income.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Interest income is recognised as it accrues in statement of comprehensive income, using the effective interest method.

Functional currencies

Functional and presentation currency
Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Renminbi, which is also the functional currency of the Company.

2(d) Summary of significant accounting policies (cont'd)

Functional currencies (cont'd)

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated into the functional currency using the exchange rates at the dates of the transactions.

Group entities

The results and financial positions of all the entities (none of which has the currency of a hyperinflationary economy) within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of each reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve in equity.

Discontinued operation

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

2(d) Summary of significant accounting policies (cont'd)

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Director ("ED") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the ED include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire plant and equipment and intangible assets.

3 Intangible assets

The Group and The Company	Economic rights RMB'000	Computer software RMB'000	Total RMB'000
Cost			
At 1 October 2010	93,933	141	94,074
Reclassified to disposal group held for sale (Note 8)	(93,933)	-	(93,933)
At 30 September 2011 and 31 December 2012	**-**	**141**	**141**
Accumulated amortisation and impairment loss			
At 1 October 2010	58,517	53	58,570
Amortisation	1,178	34	1,212
Reclassified to disposal group held for sale (Note 8)	(59,695)	-	(59,695)
At 30 September 2011	-	87	87
Amortisation	-	30	30
At 31 December 2012	**-**	**117**	**117**
Net book value			
At 31 December 2012	**-**	**24**	**24**
At 30 September 2011	-	54	54

On 16 March 2009, the Company entered into a sale and purchase agreement with Daqing XinLong Chemical Company Ltd ("XL"), the owners of XL (the "Vendors") and the charge holder of XL to acquire the rights to trade, market and distribute titanium dioxide related products manufactured by XL for a period of 20 years (referred to hereinafter as the "Economic Rights").

On 18 September 2009 (the "Completion Date"), the Company executed various agreements with the Vendors and BioMissile Medical Ltd ("BML"), a company incorporated in the British Virgin Islands which is wholly owned by the Vendors, and completed the acquisition of the Economic Rights.

3 Intangible assets (cont'd)

The acquisition cost of S$20.028 million (approximately RMB 93.933 million) comprised the following:

(i) Issue of 173,913,000 ordinary shares at S$0.025 per share based on the fair value of the Company's shares at the Completion Date amounting to S$4.348 million (approximately RMB 20.211 million) to the charge holder;

(ii) Issue of 386,707,543 ordinary shares at S$0.025 per share based on the fair value of the Company's shares at the Completion Date amounting to S$9.668 million (approximately RMB 44.941 million) to the Vendors;

(iii) Issue of a bond of S$5.438 million (approximately RMB 26.131 million) to the Vendors; and

(iv) Costs directly attributable to the acquisition of the Economic Rights amounted to S$0.574 million (approximately RMB 2.560 million) were capitalised.

In connection with the acquisition of the Economic Rights, the execution of the various agreements with the Vendors and BML and a restructuring plan:

(i) Jade Marketing & Distribution Pte. Ltd. ("JMD"), a previously wholly-owned subsidiary of the Company, issued 98 ordinary shares at S$0.098 per share. Arising therefrom, the Company's equity interest in JMD was reduced to 51% with the remaining 49% shareholding held by BML; and

(ii) JMD incorporated a wholly-owned subsidiary, Daqing XinDe Chemical Marketing & Distribution Ltd, in the People's Republic of China for the intended purpose of trading, marketing and distribution of titanium dioxide related products manufactured by XL for a period of 20 years.

Impairment testing for cash-generating unit containing the Economic Rights

Following the commencement of efforts to sell the Group's titanium dioxide business on 13 May 2011, the Economic Rights were reclassified to disposal group held for sale measured at the lower of the carrying amount and fair value less costs to sell (Note 8). The Economic Rights are not amortised while they are classified as "held for sale".

4 Plant and equipment

The Group	Office equipment RMB'000
Cost	
At 1 October 2010	325
Additions	27
Disposals	(115)
Reclassified to disposal group held for sale (Note 8)	(46)
At 30 September 2011	191
Additions	7
At 31 December 2012	**198**

4 Plant and equipment (cont'd)

The Group	Office equipment RMB'000
Accumulated depreciation	
At 1 October 2010	229
Depreciation	42
Disposals	(103)
Reclassified to disposal group held for sale (Note 8)	(19)
At 30 September 2011	**149**
Depreciation	**11**
At 31 December 2012	**160**
Net book value	
At 31 December 2012	**38**
At 30 September 2011	42

The Company	Office Equipment RMB'000
Cost	
At 1 October 2010	279
Additions	27
Disposals	(115)
At 30 September 2011	191
Additions	**7**
At 31 December 2012	**198**
Accumulated depreciation	
At 1 October 2010	220
Depreciation	32
Disposals	(103)
At 30 September 2011	**149**
Depreciation	**11**
At 31 December 2012	**160**
Net book value	
At 31 December 2012	**38**
At 30 September 2011	42

5 Subsidiaries

The Company	**2012** **RMB'000**	2011 RMB'000
Unquoted equity investments, at cost	**-**	8,587
Allowance for impairment losses	**-**	(8,587)
	-	-

On 30 August 2012, the Company disposed of its entire interest in Jade Commodities & Resources Pte Ltd. ("JCR") to a third party for a cash consideration of S$1. Management has fully provided for the impairment of the investment in JCR in prior years.

The subsidiaries are:

Name	Principal activities	Country of incorporation/ Principal place of business	Effective equity interest held by the Group **2012** **%**	2011 %
Held by the Company				
Jade Commodities & Resources Pte. Ltd. [1,5]	Investment holding	Singapore	**-**	100
Jade Marketing & Distribution Pte. Ltd. [1,4]	Investment holding	Singapore	**51**	51
Jade Real Estate Pte. Ltd. [1,4]	Investment holding	Singapore	**100**	100
Held by Jade Commodities & Resources Pte. Ltd.				
PT. Merlion Resources International [2]	Inactive	Indonesia	**-**	95
Held by Jade Marketing & Distribution Pte. Ltd.				
Daqing XinDe Chemical Marketing & Distribution Ltd [3,4]	Trading, marketing and distribution of titanium dioxide related products	People's Republic of China	**51**	51
Held by Jade Real Estate Pte. Ltd.				
Daqing XinLong Chemical Company Ltd.[3,4]	Production of titanium dioxide related products	People's Republic of China	**100**	-

[1] Audited by Foo Kon Tan Grant Thornton LLP.
[2] Deregistered during the financial period
[3] Audited by Foo Kon Tan Grant Thornton LLP for consolidation purposes
[4] Reclassified to assets held for sale (Note 8)
[5] Disposed of during the financial period

6 Trade and other receivables

The Group and the Company	**2012 RMB'000**	2011 RMB'000
Deposits	**68**	38
Other receivables	**2,314**	63
Loans and receivables	**2,382**	101
Prepayments	**194**	311
	2,576	412

As at 31 December 2012, the loans and receivables do not have any credit terms and the amount are not past due.

Trade and other receivables are denominated in Singapore dollar.

7 Cash and cash equivalents

	The Group		The Company	
	2012 RMB'000	2011 RMB'000	**2012 RMB'000**	2011 RMB'000
Fixed deposits	**48,000**	78,438	**48,000**	78,438
Cash and bank balances	**18,241**	2,095	**18,241**	1,822
	66,241	80,533	**66,241**	80,260

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	**2012 RMB'000**	2011 RMB'000
Cash and cash equivalents in the statements of financial position	**66,241**	80,533
Deposit pledged with a financial institution	**(48,624)**	-
Discontinued operation (Note 8)	**120**	74
Cash and cash equivalents in statements of cash flows	**17,737**	80,607

Deposit pledged represents bank balances pledged as security to obtain credit facility for the acquisition of Daqing Xin Long Chemical Company Ltd (see Note 8).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2012 RMB'000	2011 RMB'000	**2012 RMB'000**	2011 RMB'000
Renminbi	**-**	2	**-**	2
Singapore dollar	**5,921**	80,229	**5,921**	80,063
United States dollar	**60,320**	302	**60,320**	195
	66,241	80,533	**66,241**	80,260

The fixed deposits have an average maturity of 1 month from the end of the reporting period with interest rate ranging from 0.1% to 2.5% per annum. (2011: 0.04% per annum)

8 Disposal group held for sale

On 13 May 2011, the board of directors announced that the Company received an offer from Imagine Un Limited ("IUL"), a company listed on the Australian Stock Exchange, to acquire the Company's 51% interest in the issued share capital of JMD.

The Company and BioMissile Medical Ltd ("BML") owns 51% and 49% interest in the issued share capital of JMD respectively. JMD owns the entire issued share capital of Daqing XinDe Chemical Marketing & Distribution Ltd ("XD"), which is the sole distributor of the titanium dioxide produced by Daqing XinLong Chemical Company Ltd ("XL").

The owners of XL and BML have agreed to sell their respective interests in XL and BML to IUL. As IUL intends to acquire the whole of the titanium dioxide business, IUL made an offer to the Company to acquire its 51% equity interest in JMD.

In view of the impending changes in the ownership structure of XL and BML, the board of directors decided to accept the offer from IUL and committed to a plan to sell the Company's 51% equity interest in JMD. Accordingly, the assets and disposal group relating to the titanium dioxide business within the trading segment are classified as held for sale.

On 15 February 2012, the Company entered into a supplemental deed with IUL, pursuant to which Jade Real Estate Pte Ltd, a wholly owned subsidiary of the Company, acquired the entire registered capital of XL and a 60% economic interest in XL from the shareholders of XL for a cash consideration of RMB 43,069,022, funded through a bank overdraft included in the borrowings of RMB 67.6 million under "liabilities classified as held for sale" on page 61. Under the deed, at the completion of the divestment, JMD shall in turn acquire the entire issued share capital of JRE from the Company for an amount of RMB 43,069,022. Management consequently classified the assets and liabilities recorded in the books of XL as "disposal group held for sale" on the basis that XL was acquired exclusively with a view of resale to IUL.

On 23 August 2012, the Board announced that, instead of the Divestment, the Company has entered into an equity transfer agreement dated 16 August 2012 ("Equity Transfer Agreement") with Trechance Holdings Limited, Talented Creation International Limited ("TCI") and Mr Ji Yu Dong as well as the deed of novation dated 16 August 2012 with TCI, IUL, BML, JMD, JRE, XL, XD and the guarantors. Trechance Holdings Limited is incorporated in Hong Kong Special Administrative Region while TCI is incorporated in British Virgin Islands. Pursuant to the Equity Transfer agreement, the Company has agreed to transfer to TCI all its beneficial interests and title in its 51% equity stake in JMD and 100% stake in JRE, as well as its rights and obligations under the previous proposed divestments for a consideration of RMB 180 million.

Notwithstanding, the change with regards to the proposed divestment of JMD and JRE ("the disposed group") to IUL, management is of the view that the criteria to classify the assets and liabilities of the disposed group as held for sale continued to be met as at 31 December 2012 since the disposal group is available for immediate sale in its present condition, subject to only customary terms and conditions precedents and the sale of the disposal group is highly probable and the equity transfer is expected to be completed in February 2013.

On 22 February 2013, the board of directors announced that the Company has completed the equity transfer to TCI of all its interest and title in its 51% equity stake in JMD and 100% interest in JRE.

8 Disposal group held for sale (cont'd)

As at 31 December 2012, the assets of the Company, and the disposal group comprising assets and liabilities of the Group, are as follows:

The Group	**2012 RMB'000**	2011 RMB'000
Assets		
Intangible assets	**1,023**	34,238
Plant and equipment	**141,263**	27
Inventories	**3,951**	-
Trade and other receivables	**1,618**	52,722
Cash and cash equivalents	**120**	74
Assets classified as disposal group held for sale	**147,975**	87,061
Liabilities		
Trade and other payables	**(26,215)**	(260)
Borrowings	**(67,625)**	-
Liabilities classified as disposal group held for sale	**(93,840)**	(260)

The Company		
Intangible assets	**-**	34,238
Subsidiary	**28,839**	28,839
Assets classified as disposal group held for sale	**28,839**	63,077

Following the Group's successful acquisition of the entire registered capital of XL, the economic rights previously acquired by the Group and the Company to trade, market and distribute titanium dioxide related products manufactured by XL ceased and accordingly, management wrote off the carrying amount of the economic rights amounting to RMB34.2 million in the Company's statement of comprehensive income and set off the economic rights written off against the negative goodwill arising from the acquisition of XL in the Group's statement of comprehensive income during the current financial period (see note 21).

The fair value less costs to sell was determined by independent professional valuers based on the income approach, using financial budgets for the year from 2013 to 2017 approved by management.

Cash flows were projected using the anticipated growth rate of approximately 3%. The growth rate used was based on historical and expected future growth of the industry and did not exceed the current estimated long-term average growth rate for the business in which the assets and disposal group operate. A pre-tax discount rate of 18% was applied to the cash flow projections.

Based on the valuation, the fair value less costs to sell of RMB 308.2 million was determined to be higher than the carrying amount of the assets and disposal group held for sale of RMB 28.8 million and RMB 54.135 million respectively. Accordingly, no impairment loss on the remeasurement of the assets or disposal group to the lower of the carrying amount and fair value less costs to sell has been recognised in statement of comprehensive income.

If the growth rate applied to the cash flows decreases/increases by 1% from the estimate, the fair value less costs to sell of XL would decrease/increase by RMB 16.607 million and RMB 18.973 million respectively.

If the pre-tax discount rate applied to the cash flows increases/decreases by 1% from the estimate, the fair value less costs to sell of XL would decrease/increase by RMB 23.352 million and RMB 26.732 million respectively.

9 Share capital

The Group and The Company	**2012**	2011	**2012**	2011
	Number of ordinary shares		**RMB'000**	RMB'000
Issued and fully paid, with no par value				
At beginning of period/year	**4,408,857,165**	2,461,836,990	**402,703**	315,066
Rights issue of shares	**-**	1,833,538,149	**-**	84,208
Issue of shares from exercise of warrants	**249,077,864**	108,282,026	**4,207**	3,156
Issue of remuneration shares	**50,000,000**	5,200,000	**1,022**	273
At end of period/year	**4,707,935,029**	4,408,857,165	**407,932**	402,703

On 15 November 2010, the Company issued 1,833,538,149 rights shares at S$0.010 per share and 611,178,784 free detachable warrants attached to the rights shares under a rights shares and warrants issue amounting to S$18.058 million (approximately RMB 92.577 million) in total. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.003. 108,282,026 ordinary shares were issued as a result of the exercise of warrants in the previous financial year.

During the current financial period, 249,077,864 ordinary shares were issued as a result of the exercise of warrants amounting to RMB 4.2 million.

On 15 July 2012, 50,000,000 new ordinary shares in the capital of the Company were allotted and issued to the Group's Chief Executive Officer.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

10 Reserves

	The Group		The Company	
	2012	2011	**2012**	2011
	RMB'000	RMB'000	**RMB'000**	RMB'000
Capital reduction reserve	**79,151**	79,151	**79,151**	79,151
Statutory common reserve	**2,198**	2,198	**-**	-
Share option reserve	**4,132**	2,871	**4,132**	2,871
Warrant reserve	**2,920**	6,886	**2,920**	6,886
Exchange fluctuation reserve	**25,925**	21,878	**26,760**	26,760
Retained earnings	**(417,719)**	(364,664)	**(428,639)**	(377,474)
	(303,393)	(251,680)	**(315,676)**	(261,806)

Capital reduction reserve

Capital reduction reserve comprises the reduction in the par value of each ordinary share in the share capital of the Company which was approved by the Court of Singapore and became effective on 9 February 2004.

10 Reserves (cont'd)

Statutory common reserve

In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiary, Daqing XinDe Chemical Marketing & Distribution Ltd ("XD"), is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory net profit for each period, as determined in accordance with the applicable PRC accounting standards and regulations, must be allocated to the SRF until the cumulative total of the SRF reaches 50% of XD's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of XD. The SRF is not available for dividend distribution to owners. The directors have decided that 10% of the net profit, as reported in the PRC statutory financial statements of XD, be appropriated each period to the SRF.

Share option reserve

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

Warrant reserve

Warrant reserve relates to the fair value ascribed to warrants issued, net of issue expenses. As and when the warrants are exercised, the related balance in the warrant reserve is transferred to the share capital account. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.003. The warrants expired on 14 November 2012. At the expiry of the warrants, the balance in the warrant reserve is transferred to retained earnings.

Exchange fluctuation reserve

Exchange fluctuation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the presentation currency.

11 Trade and other payables

	The Group		The Company	
	2012	2011	**2012**	2011
	RMB'000	RMB'000	**RMB'000**	RMB'000
Accrued operating expenses	**4,030**	2,766	**4,030**	2,593
Other payables	**1,432**	1,001	**1,432**	355
Financial liabilities at amortised cost	**5,462**	3,767	**5,462**	2,948

Trade and other payables are denominated in Singapore dollar.

12 Other income

The Group	**2012** **RMB'000**	2011 RMB'000
Interest income	**252**	25
Others	**9**	-
	261	25

13 Loss for the period/year

The Group	Note	**2012 RMB'000**	2011 RMB'000
Loss for the period/year has been arrived at after charging:			
Amortisation of intangible assets	3	**30**	1,212
Depreciation of plant and equipment	4	**11**	42
Exchange (gain)/loss, net		**(1,494)**	3,488
Loss on disposal of plant and equipment		**-**	12
Loss on disposal/deregistration of subsidiaries, net		**4,296**	-
Operating lease expenses		**363**	486
Staff costs			
Directors:			
Directors' fees		**2,811**	1,334
Directors' remuneration other than fees			
- salaries and other related costs		**1,724**	1,333
- contributions to defined contribution plans		**72**	34
- share options		**805**	1,105
Key management personnel (other than directors)			
- salaries and other related costs		**1,467**	1,267
- contributions to defined contribution plans		**112**	90
- remuneration shares		**1,011**	273
- share options		**352**	-
Other than directors and key management personnel			
- salaries and other related costs		**938**	968
- contributions to defined contribution plans		**152**	155
- share options		**208**	273
		9,652	6,832

14 Taxation

The Group	**2012 RMB'000**	2011 RMB'000
Current taxation		
- current period/year	**-**	-
	-	-
Current taxation		
- discontinued operation (Note 15)	**-**	1,440
	-	1,440

14 Taxation (cont'd)

The tax expense on the results of the financial period varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on (losses)/profits as a result of the following:

The Group	**2012 RMB'000**	2011 RMB'000
(Loss) before taxation from continuing operations	**(24,751)**	(17,724)
(Loss)/profit before taxation from discontinued operation (Note 15)	**(34,846)**	4,438
Total (loss)/profit before taxation	**(59,597)**	(13,286)
Tax at statutory rates applicable to different jurisdictions	**(13,151)**	(1,806)
Tax effect on non-deductible expenses	**6,681**	525
Tax effect on non-taxable income	**(6,438)**	(2,056)
Deferred tax assets on temporary differences not recognised	**12,908**	4,777
	-	1,440

Deferred tax assets have not been recognised in respect of the following items:

The Group and the Company	**2012 RMB'000**	2011 RMB'000
Tax losses	**115,461**	61,713

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses because there is no reasonable certainty that future taxable profit will be available against which the Group and the Company can utilise the benefits.

15 Discontinued operation

The Group publicly announced the decision of its board of directors to discontinue the titanium dioxide business within the trading segment by selling the Group's 51% interest in the issued share capital of Jade Marketing & Distribution Pte. Ltd. and 100% stake in Jade Real Estate Pte Ltd.

The Group	2012 RMB'000	2011 RMB'000
Revenue	-	50,693
Cost of sales	-	(42,484)
Gross profit	-	8,209
Other income	**2,096**	23
Selling and distribution expenses	-	(1,899)
Administrative expenses	**(21,942)**	(717)
Other operating expenses	**(15,000)**	(1,178)
(Loss)/Profit before taxation	**(34,846)**	4,438
Taxation (Note 14)	-	(1,440)
(Loss)/Profit from discontinued operation, net of tax	**(34,846)**	2,998
Attributable to:		
Owners of the Company	**(34,791)**	952
Non-controlling interest	**(55)**	2,046
	(34,846)	2,998
Basic earnings per share (Fen)	**(0.78)**	0.02
Diluted earnings per share (Fen)	**(0.78)**	0.02

Of the loss from discontinued operation of RMB34,846,000 (2011 – profit of RMB2,998,000), an amount of loss amounting to RMB34,791,000 (2011 – profit of RMB952,000) is attributable to the owners of the Company. The loss from continuing operations of RMB24,751,000 (2011 - RMB17,724,000) is wholly attributable to the owners of the Company.

The Group	2012 RMB'000	2011 RMB'000
Net cash generated from/(used in) operating activities	**36,204**	(246)
Net cash (used in)/generated from investing activities	**(58,783)**	16
Net cash generated from/(used in) financing activities	**22,625**	(142)
Net cash flows for the period/year	**46**	(372)

16 (Loss)/earnings per share

16.1 Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share was based on the loss attributable to ordinary shareholders of RMB 59,542,000 (2011 - RMB16,772,000) and a weighted average number of ordinary shares outstanding of 4,456,722,000 (2011 - 4,155,685,000), calculated as follows:

(a) (Loss)/Profit attributable to ordinary shareholders

The Group	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
2012			
Loss attributable to ordinary shareholders	**(24,751)**	**(34,791)**	**(59,542)**
Basic loss per share (Fen)	**(0.56)**	**(0.78)**	**(1.34)**
2011			
(Loss)/Profit attributable to ordinary shareholders	(17,724)	952	(16,772)
Basic (loss)/earnings per share (Fen)	(0.42)	0.02	(0.40)

(b) Weighted average number of ordinary shares

The Group	**2012 '000**	2011 '000
Issued ordinary shares at beginning of period/year	**4,408,857**	2,461,837
Effect of rights shares issued	**-**	1,607,486
Effect of warrants exercised	**39,459**	79,354
Effect of remuneration shares issued	**8,406**	7,008
Weighted average number of ordinary shares during the period/year	**4,456,722**	4,155,685

16.2 Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share was based on the loss attributable to ordinary shareholders of RMB 59,542,000 (2011 - RMB16,772,000), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 4,686,895,000 (2011 - 4,596,581,000), calculated as follows:

(a) (Loss)/Profit attributable to ordinary shareholders (diluted)

The Group	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
2012			
Loss attributable to ordinary shareholders	**(24,751)**	**(34,791)**	**(59,542)**
Diluted loss per share (Fen)	**(0.56)**	**(0.78)**	**(1.34)**
2011			
(Loss)/Profit attributable to ordinary shareholders	(17,724)	952	(16,772)
Diluted (loss)/earnings per share (Fen)	(0.42)	0.02	(0.40)

(b) Weighted average number of ordinary shares (diluted)

The Group	**2012 '000**	2011 '000
Weighted average number of ordinary shares (basic)	**4,456,722**	4,155,685
Effect of warrants on issue	**230,173**	440,896
Weighted average number of ordinary shares (diluted) during the period/year	**4,686,895**	4,596,581

In 2012 and 2011, the diluted loss per share was computed based on the basic weighted average number of shares of 4,456,722,000 shares (2011:4,155,685,000 shares) as the Group was loss making in 2012 and 2011 respectively.

As at 31 December 2012, 187,500,000 (2011 - 51,000,000) options were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options and warrants were outstanding.

17 Equity-settled share option expenses

17.1 Share Option Scheme

At an Extraordinary General Meeting of the Company held on 21 August 2009, shareholders approved the Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) Employee Share Option Scheme (previously known as Jade Technologies Holdings Ltd. Employee Share Option Scheme) (the "Scheme"). The Scheme is administered by the Company's Remuneration Committee whose members are all independent directors of the Company. Under the Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and development of the Group. The Scheme aligns the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options may be granted pursuant to the Scheme, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Options granted to employees who, as of the date of grant, have been in the employment of the Group for a period of twelve months or more, may be exercised one year after the date of grant. Options which are granted to employees who have been in the employment of the Group for less than twelve months as of the date of grant may be exercised two years after the date of grant. Options which are granted to directors may be exercised one period after the date of grant.

Options granted to employees and non-executive directors expire after ten and five years from the date of grant respectively.

Irrespective of an employee's period of employment with the Group as of the date of grant, all options with exercise prices which represent a discount to the market price may be exercised two years after the date of grant.

If a variation in the issued share capital of the Company occurs (whether by way of a capitalisation of profits or reserves or a rights issue or the conversion of convertible loan stock or other debt securities or a reduction, subdivision or consolidation of shares), the subscription price in respect of shares comprised in an option to the extent unexercised, the class and/or number of shares comprised in an option to the extent unexercised or in respect of which additional options may be granted under the Scheme and the maximum entitlement in any financial period shall be adjusted in such a manner as the Remuneration Committee may determine to be appropriate.

17 Equity-settled share option expenses (cont'd)

Details of the share options are as follows:

Weighted average exercise price	Balance at 1.10.2011	Options granted	Options forfeited/ lapsed	Balance at 31.12.2012	Period exercisable	Options exercisable on 31.12.2012
S$0.03	3,000,000	-	(3,000,000)	-	29.9.2010 to 28.9.2014	-
S$0.02	10,000,000	-	-	10,000,000	25.5.2011 to 24.5.2015	-
S$0.02	38,000,000	-	(5,000,000)	33,000,000	25.5.2012 to 24.5.2020	-
S$0.004	-	187,500,000	-	187,500,000	30.8.2013 to 29.8.2012	-
	51,000,000	187,500,000	(8,000,000)	230,500,000		-

There were no shares issued during the financial periods ended 31 December 2012 and 2011 by virtue of the exercise of options to take up unissued shares of the Company.

The weighted average remaining contractual life of options outstanding at the end of the reporting period is 9.908 years (2011: 6.34 years).

Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of share options is determined using the Black-Scholes valuation model with the assumptions as set out below:

	2012	2011
Weighted average fair value at measurement date	**S$0.00318**	S$0.0099
Exercise price at date of grant	**S$0.004**	S$0.02
Expected volatility	**159%**	118%
Expected option life	**10 years**	3 years
Risk-free interest rate	**1.39%**	1.37% to 3.25%
Expected dividend yield	**0%**	0%

The exercise price at the grant date is based on volume-weighted share price for three consecutive trading days prior to the grant date.

17 Equity-settled share option expenses (cont'd)

Fair value of share options and assumptions (cont'd)

The expected volatility is measured by the standard deviation of 36 months' average intra-day high and low share prices prior to the grant date.

The risk-free interest rate is based on the five-years/ten-years zero-coupon Singapore Government Securities bonds with maturity comparable to the life of option. Expected dividend yield is based on expected dividend payout over the one year volume-weighted average share price prior to the grant date.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

17.2 Remuneration shares

On 15 July 2012, 50,000,000 new ordinary shares in the capital of the Company were allotted and issued to the Group's Chief Executive Officer. The remuneration shares are free from all claims, charges, liens and other encumbrances and rank pari passu in all respects with and carry all rights similar to the existing ordinary shares of the Company.

18 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were no significant transactions between the Company and its related parties.

19 Commitments

19.1 Capital commitment

In the previous financial year, the Company entered into a sale and purchase agreement with Tian-An Pty Ltd to purchase two adjoining properties zoned for intensive agriculture in Richmond, Tasmania, Australia, for a consideration of S$3,770,000 (approximately RMB 18,478,000), by issue of S$3,770,000 in aggregate principal amount of 5% bond due 2014 and 582,500,000 warrants with each carrying the right to subscribe for one share in the capital of the Company at the exercise price of S$0.004 per share. Subsequent to year-end, management announced that the Company decided not to complete the proposed acquisition as the properties are not in line with the Company's new strategy.

The Group and the Company	**2012** **RMB'000**	2011 RMB'000
Capital expenditure contracted but not provided for in the financial statements	-	18,478

19 Commitments (cont'd)

19.2 Operating lease commitments (non-cancellable)

At the end of the reporting period, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of office premises with an original term of more than one year:

	The Group		The Company	
	2012	2011	**2012**	2011
	RMB'000	RMB'000	**RMB'000**	RMB'000
Not later than one year	**257**	228	**257**	221
Later than one year and not later than five years	**129**	356	**129**	356
	386	584	**386**	577

The leases on the Group's and the Company's office premises on which rentals are payable will expire on 30 June 2014.

20 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments:

(i) Trading - relates to the trading, marketing and distribution of titanium dioxide related products

(ii) Corporate - comprises Corporate Office which incurs general corporate expenses and inactive entities in the Group

The Group accounts for inter-segment transactions on terms agreed between parties. Inter-segment transactions comprising advances between segments are eliminated on consolidation.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire plant and equipment directly attributable to a segment.

The Executive Director ("ED") monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the ED. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

20 Operating segments (cont'd)

The Group	Trading (Discontinued) 2012 RMB'000	2011 RMB'000	Corporate 2012 RMB'000	2011 RMB'000	Eliminations 2012 RMB'000	2011 RMB'000	Total 2012 RMB'000	2011 RMB'000
Segment revenue	**-**	50,693	**-**	-	**-**	-	**-**	50,693
Results								
Segment (loss)/profit	**(34,846)**	4,415	**(25,003)**	(17,749)	**-**	-	**(59,849)**	(13,334)
Interest income	**-**	23	**252**	25	**-**	-	**252**	48
(Loss)/ profit before taxation	**(34,846)**	4,438	**(24,751)**	(17,724)	**-**	-	**(59,597)**	(13,286)
Taxation	**-**	(1,440)	**-**	-	**-**	-	**-**	(1,440)
(Loss)/profit for the period	**(34,846)**	2,998	**(24,751)**	(17,724)	**-**	-	**(59,597)**	(14,726)
Attributable to:								
Owners of the Company	**(34,791)**	952	**(24,751)**	(17,724)	**-**	-	**(59,542)**	(16,772)
Non-controlling interests	**(55)**	2,046	**-**	-	**-**	-	**(55)**	2,046
	(34,846)	2,998	**(24,751)**	(17,724)	**-**	-	**(59,597)**	(14,726)
Assets and liabilities								
Segment assets	**147,975**	87,061	**68,817**	81,041	**-**	-	**216,792**	168,102
Segment liabilities	**93,840**	260	**5,462**	3,767	**-**	-	**99,302**	4,027
Capital expenditure and significant non-cash items								
Amortisation of intangible assets	**-**	1,178	**30**	34	**-**	-	**30**	1,212
Capital expenditure								
- plant and equipment	**63,221**	-	**7**	27	**-**	-	**63,228**	27
Depreciation of plant and equipment	**-**	10	**11**	32	**-**	-	**11**	42
Loss on disposal/deregistration of subsidiaries	**-**	-	**4,296**	-	**-**	-	**4,296**	-
Loss on disposal of plant and equipment	**-**	-	**-**	12	**-**	-	**-**	12
Operating lease expenses	**-**	59	**363**	427	**-**	-	**363**	486
Value of employee services received for grant of:								
- remuneration shares	**-**	-	**1,011**	273	**-**	-	**1,011**	273
- share options	**-**	-	**1,365**	1,378	**-**	-	**1,365**	1,378

21 Acquisition of subsidiary

On 23 April 2012, the Group acquired the entire registered capital of Daqing Xin Long Chemical Company Ltd from the shareholders of XL for a cash consideration of RMB 43.1 million. The acquisition of XL was in line with the proposed divestment of the Group's titanium dioxide business as announced on 22 December 2011.

Identifiable assets acquired and liabilities assumed

	2012 RMB'000
Plant and equipment	78,015
Intangible assets	1,023
Inventories	5,148
Trade and other receivables	47,680
Cash and cash equivalents	47,834
Trade and other payables	(54,616)
Financial liabilities	(45,000)
Total identifiable net assets	80,084

The fair value of plant and equipment has been determined provisionally pending completion of an independent valuation. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amount, then the acquisition accounting will be revised.

Negative goodwill

Negative goodwill was recognised as a result of the acquisition as follows:

	2012 RMB'000
Total consideration transferred	43,069
Fair value of identifiable net assets acquired	(80,084)
Negative goodwill	(37,015)
Economic rights previously acquired written off (Note 8)	35,841
Negative goodwill, net included in discontinued operation (Note 8)	(1,174)

	2012 RMB'000
Total consideration transferred, including processing fees for credit facility granted	43,396
Less: cash acquired	(47,834)
Acquisition of subsidiary, net of cash acquired as disclosed in the consolidated cash flow statement	4,438

Acquisition- related costs
The Group incurred acquisition-related costs of RMB 1.14 million related to external legal fees, audit fees and due diligence costs. The professional fees have been included in administrative expenses in the Group's statement of comprehensive income.

22 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

22.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

22 Financial risk management objectives and policies (cont'd)

22.1 Credit risk (cont'd)

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's major classes of financial assets are bank deposits and receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 6.

22.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's financial liabilities comprising trade and other payables with contractual undiscounted cash flows approximating the carrying amount mature in less than one period. Nevertheless, the Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group maintains sufficient level of cash and cash equivalents to meet its working capital requirements.

22.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its bank balances at floating rates which are contractually repriced at intervals of less than 6 months (2011: less than 6 months) from the end of the reporting period. Fixed deposits bear interest at fixed rates. All other financial assets and liabilities are interest-free. Therefore, impact from changes in interest rates is minimal.

The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

22.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Renminbi and Singapore dollar. The foreign currencies in which these transactions are denominated are primarily Singapore dollar and United States dollar. The Group's receivable and payable balances at the end of the reporting period have similar exposures.

The Group also holds cash and cash equivalents denominated in Singapore dollar and United States dollar for working capital purposes.

Consequently, the Group is exposed to movements in foreign currency exchange rates. However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

22 Financial risk management objectives and policies (cont'd)

22.4 Foreign currency risk (cont'd)

The Group's and the Company's exposures in financial instruments to the various foreign currencies are mainly as follows:

The Group	Singapore dollar RMB'000	United States dollar RMB'000
2012		
Trade and other receivables	**2,576**	**-**
Cash and cash equivalents	**5,921**	**60,320**
Trade and other payables	**(5,462)**	**-**
Net exposure	**3,035**	**60,320**
2011		
Trade and other receivables	412	-
Cash and cash equivalents	80,229	302
Trade and other payables	(3,767)	-
Net exposure	76,874	302

The Company	Singapore dollar RMB'000	United States dollar RMB'000
2012		
Trade and other receivables	**2,576**	**-**
Cash and cash equivalents	**5,921**	**60,320**
Trade and other payables	**(5,462)**	**-**
Net exposure	**3,035**	**60,320**
2011		
Trade and other receivables	412	-
Cash and cash equivalents	80,063	195
Trade and other payables	(2,948)	-
Net exposure	77,527	195

22 Financial risk management objectives and policies (cont'd)

22.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Singapore dollar (SGD) and United States dollar (USD) exchange rates (against Renminbi), with all other variables held constant, of the Group's and the Company's profit net of tax and equity.

The Group		**2012 RMB'000**	2011 RMB'000
SGD	- strengthened 5% (2011: 5%)	**152**	3,844
	- weakened 5% (2011: 5%)	**(152)**	(3,844)
USD	- strengthened 5% (2011: 5%)	**3,016**	15
	- weakened 5% (2011: 5%)	**(3,016)**	(15)

The Company			
SGD	- strengthened 5% (2011: 5%)	**152**	3,876
	- weakened 5% (2011: 5%)	**(152)**	(3,876)
USD	- strengthened 5% (2011: 5%)	**3,016**	10
	- weakened 5% (2011: 5%)	**(3,016)**	(10)

22.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

23 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;
(b) To support the Group's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's risk management capability; and
(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's approach to capital management during the financial period.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

24 Financial instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one period is assumed to approximate their fair values.

However, the Group does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one period, comprising trade and other receivables, cash and cash equivalents, and trade and other payables, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

25 Subsequent event

On 28 January 2013, the Company entered into a conditional sale and purchase agreement with an individual to acquire 100% equity interests in Yess Le Green Pte. Ltd. ("YLG"). and West Themes Pte. Ltd. ("WT") for an aggregate consideration of S$6.3 million, which will be satisfied by:

(i) issuance of a 5% S$2 million bond due in 2016;
(ii) issuance of 250 million warrants, with each warrant carrying the right to subscribe for 1 share in the Company at a price of S$0.008;
(iii) issuance of 289 million new shares; and
(iv) payment of cash consideration of $2 million

YLG and WT are companies in the real estate industry, principally engaged in the business of asset management.

Identifiable assets acquired and liabilities assumed at date of acquisition:

	RMB'000
Property, plant and equipment	**7,797**
Investment properties	**4,489**
Trade and other receivables	**4,138**
Cash and cash equivalents	**5,504**
Trade and other payables	**(6,493)**
Provisions	**(1,918)**
Financial liabilities	**(167)**
Total identifiable assets	**13,350**
Purchase consideration	**32,196**
Provisional goodwill	**18,846**

The fair values of the investment properties recognized as a result of business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and willing seller in a arm's length transaction .

The fair value of the investment properties is arrived at based on comparison with current transacted prices of similar or comparable properties with adjustments made for differences in location, tenure, size and design based on certain standard industry assumption.

Statistics of Shareholdings

As at 12 March 2013

Issued share capital	:	S$73,079,761.40 (RMB366,974,000)
No. of issued and fully paid-up shares	:	4,707,935,029
Class of shares	:	Ordinary share

Voting rights attached to shares

On show of hands	:	One vote per shareholder
On poll	:	One vote per share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings			No. of Shareholders	%	No. of Shares	%
1	-	999	269	3.34	38,191	0.00
1,000	-	10,000	853	10.60	5,384,909	0.12
10,001	-	1,000,000	6,287	78.15	1,386,633,540	29.45
1,000,001 and above			636	7.91	3,315,878,389	70.43
Total			8,045	100.00	4,707,935,029	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Maybank Kim Eng Securities Pte Ltd	549,270,819	11.67
2	Zhao Yanshi	174,913,000	3.72
3	UOB Kay Hian Pte Ltd	94,314,756	2.00
4	Phillip Securities Pte Ltd	72,164,197	1.53
5	United Overseas Bank Nominees Pte Ltd	69,839,009	1.48
6	DBS Nominees Pte Ltd	69,792,780	1.48
7	Soh Chun Bin (Su Chunbin)	50,000,000	1.06
8	Ong Boon Kheng	42,406,875	0.90
9	Lee Chee Wee	41,677,500	0.89
10	OCBC Securities Private Ltd	36,834,666	0.78
11	Poon Wai Hing	36,000,000	0.77
12	OCBC Nominees Singapore Pte Ltd	32,672,879	0.69
13	Ng Ngee Hung	30,500,000	0.65
14	Citibank Nominees Singapore Pte Ltd	30,441,500	0.65
15	CIMB Securities (Singapore) Pte Ltd	30,220,500	0.64
16	Teo Ee Seng	30,000,000	0.64
17	Lim Chye Huat @ Bobby Lim Chye Huat	29,800,000	0.63
18	Tan Hiap Seng nee Low Lak Muay	26,100,000	0.55
19	Neo Ah Huay	25,160,000	0.54
20	Tjiong Boen Ngiap @ Bushar Tomi or Oey Mi Ling @ Mery Widjaya	24,495,000	0.52
Total:		1,496,603,481	31.79

Statistics of Shareholdings

As at 12 March 2013

SUBSTANTIAL SHAREHOLDERS

As at 12 March 2013 (as shown in the Company's register of Substantial Shareholders)

Name	Number of Shares Held as Direct	%	Number of Shares Held as Deemed	%
Blessed Forever Ltd	-	-	408,741,052 [1]	8.68
Zhao Yanshi	174,913,000	3.72	408,741,052 [1]	8.68

Note 1: On 4 March 2013, Blessed Forever Ltd and Paromay Limited entered into a share lending arrangement by way of a share sale and buyback. As at 12 March 2013, the share transfer of 200,000,000 shares to Paromay Limited is still in process. After the completion of the share transfer, Blessed Forever Ltd shall hold 208,741,052 shares (4.43%) through its nominee Maybank Kim Eng Securities Pte. Ltd. Mr Zhao Yanshi holds the entire equity interest in Blessed Forever Ltd and is thus deemed to be interested in the 208,741,052 shares held through its nominee Maybank Kim Eng Securities Pte. Ltd.

PUBLIC SHAREHOLDINGS

Based on the information available to the Company as at 12 March 2013, approximately 87.6% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B : Rules of Catalist issued by SGX-ST.

CEDAR STRATEGIC HOLDINGS LTD.

(Co Registration No: 198003839Z)

To All Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders ("**Shareholders**") of **CEDAR STRATEGIC HOLDINGS LTD.** (the "**Company**") will be held at No. 1 Kallang Way 2A, #08-01 Communications Techno Centre, Singapore 347495 on Wednesday, 10 April 2013 at 10.00 a.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the period from 1 October 2011 to 31 December 2012 and the Auditors' Report thereon. **Resolution 1**

2. (a) To re-elect Dr In Nany Sing Charlie as Director, who shall retire pursuant to Article 87 of the Company's Articles of Association. **Resolution 2a**

   (b) To re-elect Mr Chua Cheow Khoon Michael as Director, who shall retire pursuant to Article 87 of the Company's Articles of Association. **Resolution 2b**

   {See Explanatory Note (1)}

   (c) To re-elect Mr Peng Weile Leo as Director, who shall retire pursuant to Article 94 of the Company's Articles of Association. **Resolution 2c**

   (d) To re-elect Mr Azman Hisham Bin Jaafar as Director, who shall retire pursuant to Article 94 of the Company's Articles of Association. **Resolution 2d**

   (e) To re-elect Mr Huang Chuan as Director, who shall retire pursuant to Article 94 of the Company's Articles of Association. **Resolution 2e**

   (f) To re-elect Mr Zhao Yanshi as Director, who shall retire pursuant to Article 94 of the Company's Articles of Association. **Resolution 2f**

   {See Explanatory Note (2)}

3. To approve the payment of the proposed directors' fees of S$495,000 for the financial period from 1 October 2011 to 31 December 2012. **Resolution 3**

4. To approve the payment of the proposed directors' fees of S$351,667 quarterly in arrears for the financial year ending 31 December 2013. **Resolution 4**

5. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditors of the Company and to authorise the Directors to fix its remuneration. **Resolution 5**

6. To transact any other business which may be properly transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited ('SGX-ST")**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B : Rules of Catalist (the "Catalist Rules"), authority be and is hereby given to the Directors to issue:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and,

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provision of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company.

{See Explanatory Note (3)} **Resolution 6**

8. **Mandate to Directors to issue Shares under CSH Employee Share Option Scheme**

That approval be and is hereby given to the Directors to offer and grant options over ordinary shares in the Company in accordance with the provisions of the CSH Employee Share Option Scheme (the "**Scheme**"); and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company (the "**Scheme Shares**") as may be required to be issued pursuant to the exercise of the options that may be granted under the Scheme provided always that the aggregate number of the Scheme Shares (excluding treasury shares) available under the Scheme shall not exceed 15% of the total issued share capital of the Company from time to time, as determined in accordance with the provisions of the Scheme.

{See Explanatory Note (4)} **Resolution 7**

By Order of the Board

Ong Beng Hong and Tan Swee Gek
Joint Secretaries
Singapore
26 March 2013

Explanatory Notes

(1) Ordinary Resolutions 2 (a) and 2 (b) - To re-elect Dr In Nany Sing Charlie and Mr Chua Cheow Khoon Michael as Directors, who shall retire pursuant to Article 87 of the Articles of Association of the Company

If re-elected, Dr In Nany Sing Charlie will remain as Executive Chairman and a member of the Nominating & Corporate Governance Committee.

If re-elected, Mr Chua Cheow Khoon Michael will remain as Lead Independent Director, Chairman of the Audit Committee, a member of the Nominating & Corporate Governance Committee and the Remuneration Committee.

(2) Ordinary Resolutions 2 (c), 2 (d), 2 (e) and 2 (f) - To re-elect Mr Peng Weile Leo, Mr Azman Hisham Bin Jaafar, Mr Huang Chuan and Mr Zhao Yanshi as Directors, who shall retire pursuant to Article 94 of the Articles of Association of the Company

If re-elected, Mr Peng Weile Leo will remain as Executive Director and a member of the Nominating & Corporate Governance Committee.

If re-elected, Mr Azman Hisham Bin Jaafar will remain as an Independent Director, Chairman of the Nominating & Corporate Governance Committee and the Remuneration Committee and a member of the Audit Committee.

If re-elected, Mr Huang Chuan will remain as an Independent Director, a member of the Audit Committee, the Nominating & Corporate Governance Committee and the Remuneration Committee.

If re-elected, Mr Zhao Yanshi will remain as a Non-executive Director and a member of the Remuneration Committee.

(3) Ordinary Resolution 6 – Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited ('SGX-ST")

The Ordinary Resolution 6 proposed in item 7 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of shares awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(4) Ordinary Resolution 7 – Mandate to Directors to issue Shares under CSH Employee Share Option Scheme

Ordinary Resolution 7 proposed in item 8 above is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme provided that the aggregate number of shares to be issued under the Scheme, when aggregated with shares to be issued under any other existing share schemes of the Company does not exceed 15% of the total number of shares issued by the Company, excluding treasury shares, if any, from time to time. The Scheme was first approved by the Shareholders at the Extraordinary General Meeting held on 21 August 2009 and subsequently renewed by the Shareholders at the Annual General Meetings held on 28 January 2010, 28 January 2011 and 12 January 2012. Details of the Scheme may also be found in the Circular to Shareholders dated 29 July 2009.

Notes:

(1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) If a proxy is to be appointed, the form must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the meeting.

(3) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

(4) In the case of joint shareholders, all holders must sign the form of proxy.

This notice 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 Singapore Exchange Securities Trading Limited (the SGX-ST). The Company's Sponsor has not independently verified the contents of this notice.

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

The contact person for the Company's Sponsor is Mr Ng Joo Khin

(Tel: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg).

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Proxy Form

CEDAR STRATEGIC HOLDINGS LTD.

Co. Reg No. 198003839Z
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy ordinary shares in the capital of Cedar Strategic Holdings Ltd., this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their request through their respective CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf .

#I/We ____

of ____

being a member/members of the abovementioned Company, hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at No. 1 Kallang Way 2A #08-01 Communications Techno Centre, Singapore 347495 on 10 April 2013 at 10.00 a. m. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM. If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, or if no specific direction as to voting is given, to vote or abstain from voting at his/her discretion at the AGM and at any adjournment thereof.

No.	Resolutions	For	Against	Abstain*
	Ordinary Business			
1.	To adopt the Directors' Report, Audited Financial Statements and Auditors' Report			
2a.	To re-elect Dr In Nany Sing Charlie as Director			
2b.	To re-elect Mr Chua Cheow Khoon Michael as Director			
2c.	To re-elect Mr Peng Weile Leo as Director			
2d.	To re-elect Mr Azman Hisham Bin Jaafar as Director			
2e.	To re-elect Mr Huang Chuan as Director			
2f.	To re-elect Mr Zhao Yanshi as Director			
3.	To approve Directors' Fees for the period from 1 October 2011 to 31 December 2012			
4.	To approve Directors' Fees to be paid quarterly in arrears for the year ending 31 December 2013			
5.	To re-appoint Foo Kon Tan Grant Thornton LLP as Auditors of the Company			
	Special Business			
6.	To approve the Share Issue Mandate			
7.	To authorise the Directors to allot and issue shares pursuant to the CSH Employee Share Option Scheme			

* Please indicate your vote "For" or "Against" or "Abstain" with a "X" in the appropriate box provided.

Dated this ____________ day of ____________________________ 2013

Register	Number of Shares Held
1) CDP Register	
2) Register of Members	

____

Signature(s) of Member(s)/Corporation's Common Seal

Important: Please read notes on the next page.

Fold Here

Affix Stamp

Office of the Share Registrar

Cedar Strategic Holdings Ltd.

B.A.C.S. Private Limited

63 Cantonment Road

Singapore 089758

Fold Here

Notes to Proxy Form:

1. Please insert the total number of Shares registered in your name. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of Shares is not inserted, this proxy form will be deemed to relate to the entire number of Shares registered in your name.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

3. When a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy/proxies must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time set for the Annual General Meeting or any postponement or adjournment thereof.

5. The instrument appointing a proxy/proxies shall be in writing under the hand of the appointor or his attorney, or if such appointor is a corporation, under its common seal or under the hand of its officer or attorney, duly authorised in writing.

6. A corporation, which is a member, may authorise by resolution of its directors or other governing body such persons as it thinks fit to act as its representative at the Annual General Meeting.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if such members are not shown to have Shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

CEDAR STRATEGIC HOLDINGS LTD.

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