

**CEDAR STRATEGIC HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198003839Z)

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**FRAMEWORK AGREEMENT WITH GEZHOUBA**

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The board of directors (the “**Board**”) of Cedar Strategic Holdings Ltd. (the “**Company**”) is pleased to announce that the Company has entered into a framework agreement (the “**Framework Agreement**”) with China Gezhouba Group Company Limited (中国葛洲坝集团股份有限公司) (“**Gezhouba**”) pursuant to which the Company has agreed to appoint Gezhouba as its main contractor in relation to Group’s future real estate development projects in the People’s Republic of China (the “**PRC**”). Gezhouba is unrelated to the Company or any of its directors, chief executive officer or controlling shareholders.

The Framework Agreement sets out the following parameters pursuant to which the Company will collaborate with Gezhouba:

1. the Company will appoint Gezhouba as its main contractor for all its construction projects in the PRC. Gezhouba may not assign such appointment but may appoint subcontractors subject to the Company’s approval. Gezhouba shall also appoint suitable third parties recommended by the Company as subcontractors, provided that such subcontractors shall not be appointed for more than 40% of the work to be performed under each project. Such recommended subcontractors shall pay Gezhouba as management fees 2% of the contract value for such subcontracted work. If subcontractors are appointed, Gezhouba shall remain responsible for the progress, quality, safety, etc. of the construction project;
2. the collaboration and the appointment of Gezhouba as the main contractor shall extend to all the Company’s real estate construction projects in China, as well as all the Company’s infrastructure construction projects, such as roads, coal projects, etc. in China (if any);
3. the parties shall enter into individual contracts for each construction project, with the pricing for the construction work taking into account local conditions, including costs of materials and labour, which shall be subject to mutual agreement. Both parties agree to determine construction project milestones (and the achievement thereof) in accordance with applicable industry standards or as determined by a third party professional appointed by the Company;

4. Gezhouba shall invoice the Company every three months progressively in accordance with project milestones, and the Company agrees to pay each invoice within three months from the date of such invoice. Such payment may be by way of standby letters of credit;
5. Both parties shall be responsible for the technical standards, regulatory compliance, quality and safety requirements of the construction project. In addition, Gezhouba agrees to accept inspections by the Company, and shall attend project meetings as required by the Company. Both parties agree that the process of the audit, completion and acceptance of each construction project shall be specified within the corresponding individual construction contract. Any project variation shall require the specific approval of the Company, otherwise any loss resulting from any unauthorised variation shall be borne by Gezhouba. Gezhouba shall report to the Company on the project including the start, progress and completion of works. Gezhouba shall have overall responsibility over the safety aspects of the construction project.

The Framework Agreement shall have a validity period of three years, subject to renewal or termination by the parties. The Framework Agreement may be terminated by notification in the event of a force majeure, or where a party breaches the agreement, or where Gezhouba assigns its appointment as a main contractor or appoints a subcontractor without the approval of the Company.

#### **Information on Gezhouba**

Listed on the Shanghai Stock Exchange in September 2007, Hubei-based Gezhouba is the listed entity of China Gezhouba Group Corporation (“**CGGC**”) (中国葛洲坝集团公司).

Between the 1970s and 1980s, CGGC set over 100 national records in the Gezhouba Project, a leading dam project that pushed Chinese hydropower technology onto the world stage. In the 2000s, CGGC became internationally renowned for its work on the Three Gorges Dam Project on the Yangtze River, presently the largest hydropower project in the world. According to the Engineering News Record (“**ENR**”) of McGraw-Hill Construction, CGGC was the 42nd largest contractor by revenue in the world in 2012 (based on earnings of approximately US\$6.2 billion in 2011)<sup>1</sup> in ENR’s “Top 225 Global Contractors”, an annual poll of global construction players.

CGGC’s business covers 31 provinces, municipalities and autonomous regions in the PRC, with a global reach extending to over 70 countries in Asia, the Middle East, Africa and the United States of America. In 2012, CGGC was ranked No. 216 amongst the “Top 500 Chinese Enterprises” and topped the list of “100 Most Competitive Chinese Construction Enterprises” in the country. Over the years, CGGC has been consistently awarded an AAA credit rating by the China International Contractors Association.

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<sup>1</sup> Source: <http://enr.construction.com/toplists/Top-Global-Contractors/001-100.asp>

Holding over 100 high-level professional qualifications, including that of Special-Level General Contractor of Water Conservancy and Hydropower Projects, CGGC has more than 36,000 incumbent employees, 17,000 professional technicians, 50,000 sets of construction equipment, and is capable of excavating and filling 200 million cubic metres of earth and stone, casting 18 million square metres of concrete, manufacturing and installing 210,000 tons of metal structures, completing 9 million kilowatts of installed capacity, and producing 187,000 tons of industrial explosives and 20 million tons of cement per year.

Leveraging on CGGC's rich construction heritage and strong track record in the PRC, Gezhouba was placed seventh in a 2009 ranking of the "20 Most Competitive Chinese Listed Companies" and its stock (SHA: 600068) is component of several major stock indices, including the SHSE-SZSE300, CCGINK, SSE Central SOEs 50, CSI Central SOEs Composite Index, CSI Central SOEs 100 Index and SSE Constituent Index.

Primarily engaged in civil engineering projects that include power plants, dams, roads and bridges, Gezhouba has also invested and expanded into real estate development. Through CGGC, Gezhouba's business in the real estate sector has grown rapidly, with over 200 hectares in its land bank. Some of its landmark commercial and residential projects include the Gezhouba Tower in Beijing, Gezhouba Tower in Shanghai, GZB International Plaza in Wuhan, Wuhan Century Garden in Wuhan, and the Gezhouba Jinxiu Series of Projects in Hubei.

#### **Interest of Directors and Substantial Shareholders**

None of the Directors or the controlling shareholders of the Company have any interest, direct or indirect, in the Framework Agreement, other than through their respective directorships and/or shareholdings in the Company.

By Order of the Board

**CEDAR STRATEGIC HOLDINGS LTD.**

Dr Charlie In

Executive Chairman

19 August 2013

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

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

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