

UPDATE ON PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. PREVIOUS ANNOUNCEMENT

The board of Directors (the “**Directors**” or the “**Board**”) of Cedar Strategic Holdings Ltd. (the “**Company**”) refers to its announcement dated 19 August 2013 in relation to the proposed renounceable non-underwritten rights issue (the “**Announcement**”).

Unless otherwise defined herein, capitalised terms shall have the same meaning as ascribed to them in the Announcement. Save as set out below, there are no other changes to the terms of the Rights Issue as set out in the Announcement.

2. RECENT CORPORATE ACTIONS

On 26 August 2013, the Company announced that it had, on 25 August 2013, entered into a deed of termination pursuant to which the sale and purchase agreement entered into by the Company with Talented Creation International Limited on 22 May 2013 was terminated. The Company also announced that it had, on 25 August 2013, entered into a conditional sale and purchase agreement with Talented Creation International Limited for the entire issued and paid-up share capital of Trechance Holdings Limited for a consideration of RMB22,500,000, which is to be satisfied in full by the issue of (i) 128,576,982 new ordinary shares at the issue price of S\$0.007 per share (the “**Trechance Consideration Shares**”) and (ii) a S\$3,600,000 in aggregate principal amount of 5% bond due 2015.

On 2 September 2013, the Company announced that it had issued 282,500,000 Shares arising from the exercise of 282,500,000 warrants by Mr. Christopher Chong Meng Tak. Further to such exercise of the 282,500,000 warrants, the issued and paid-up share capital of the Company increased to 5,579,435,029 Shares.

On 6 September 2013, the Company announced that it had issued 50,000,000 incentive shares to its chief executive officer, Mr. Soh Chun Bin. Following the issue and allotment of the incentive shares, the total number of issued shares of the Company has increased to 5,629,435,029 Shares.

3. THE REVISED RIGHTS ISSUE

Following the above mentioned recent corporate actions by the Company and the corresponding changes in the share capital of the Company, the Directors have decided to revise the size of the Rights Issue (the “**Revised Rights Issue**”).

Pursuant to the Revised Rights Issue, the Company is offering up to 3,066,506,005 Rights Shares instead of 3,002,217,514 Rights Shares, at an issue price of S\$0.005 per Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every two (2) existing ordinary Shares held by Shareholders as at the Books Closure Date.

As at the date of this announcement, the issued share capital of the Company comprises 5,629,435,029 Shares (the “**Existing Share Capital**”), and there is (i) an aggregate of 339,000,000 outstanding share options issued by the Company (the “**Existing Options**”), of which 125,000,000 share options may be exercised on or prior to the Books Closure Date (the “**Relevant Options**”); (ii) an aggregate of 250,000,000 warrants (the “**Relevant Warrants**”) which may be exercised on or prior to the Books Closure Date; and (iii) 128,576,982 Trechance Consideration Shares to be issued to Talented Creation International Limited. In the event all

Relevant Options and all Relevant Warrants are exercised and the Trechance Consideration Shares are issued on or prior to the Books Closure Date, the issued share capital of the Company (excluding treasury shares) will increase to 6,133,012,011 Shares.

Based on the Existing Share Capital, and assuming that (i) none of the Relevant Options or Relevant Warrants have been exercised or Trechance Consideration Shares have been issued prior to the Books Closure Date, and (ii) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Revised Rights Shares (the “**Basic Subscription Scenario**”), the Company will issue 2,814,717,514 Rights Shares under the Revised Rights Issue.

Based on the Existing Share Capital and assuming that (i) all of the Relevant Options and all Relevant Warrants are exercised and the Trechance Consideration Shares have been issued on or prior to the Books Closure Date, and (ii) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares (the “**Maximum Subscription Scenario**”), the Company will issue 3,066,506,005 Rights Shares under the Revised Rights Issue.

4. USE OF PROCEEDS

Assuming that the Revised Rights Issue is fully subscribed, the net proceeds arising from the Revised Rights Issue, after deducting estimated costs and expenses of S\$0.350 million relating thereto, and the intended use of such net proceeds (in the following order of priority) are set out below:

Use of Proceeds	Percentage Allocation	Basic Subscription Scenario	Maximum Subscription Scenario
1. Real estate development and/or investment in real estate assets	70%	S\$9.61 million	S\$10.49 million
2. Working capital purposes	30%	S\$4.11 million	S\$4.49 million
Net proceeds arising from the Rights Issue	100%	S\$13.72 million	S\$14.98 million

Pending the deployment of the net proceeds raised from the Revised Rights Issue, such proceeds may be deposited with banks and/or financial institutions, or used for investment in short-term money markets instruments and/or marketable securities, as the Directors may deem appropriate in the interests of the Company.

The Company will make periodic announcements on the use of the proceeds from the Revised Rights Issue as and when such proceeds are materially disbursed and will provide a status report on the use of proceeds from the Revised Rights Issue in the annual report(s) of the Company, until such time the proceeds have been fully utilised.

5. APPROVALS

The Revised Rights Issue is subject to, *inter alia*, (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares on the Catalist board and (ii) lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore). An application will be made to the SGX-ST for the listing and quotation of the Rights Shares on the Catalist board. The Company will make the relevant announcement upon receipt of the outcome of the application.

6. ADJUSTMENTS TO SHARE OPTIONS AND WARRANTS

As a result of the Revised Rights Issue, adjustments may be made to the number and/or exercise price of the Existing Options and/or Relevant Warrants of the Company. The Company will in due course make the relevant announcement and notify holders of the Existing Options and/or Relevant Warrants of such adjustments.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and substantial Shareholders has any interests, direct or indirect, in the Revised Rights Issue, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

8. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Revised Rights Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

BY ORDER OF THE BOARD

Dr In Nany Sing Charlie
Executive Chairman
27 September 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

The announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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