

# CEDAR STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198003839Z)

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## COMPLETION OF ACQUISITION OF TRECHANCE HOLDINGS LIMITED

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Cedar Strategic Holdings Ltd. (the “**Company**”) refers to the Company’s announcement dated 26 August 2013 (the “**Previous Announcement**”) in relation to:

- (a) the termination of the sale and purchase agreement dated 22 May 2013 entered into by the Company and Talented Creation International Limited (the “**Vendor**”); and
- (b) the proposed acquisition of the entire issued and paid-up share capital of Trechance Holdings Limited (“**Trechance**”) by the Company from the Vendor, for a consideration of RMB22,500,000 (the “**Consideration**”), which is to be satisfied in full by the issue of (i) 128,576,982 new ordinary shares (the “**Consideration Shares**”) at the issue price of S\$0.007 for each Consideration Share to the Vendor (or its designated nominees as it may direct) and (ii) a S\$3,600,000 in aggregate principal amount of 5% bond due 2015 (the “**Bond**”) to the Vendor. (the “**Proposed Acquisition**”).

All capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Previous Announcement, unless the context otherwise requires.

### 2. COMPLETION OF ACQUISITION

The Board is pleased to announce that the Proposed Acquisition has been completed, pursuant to which:

- (a) the entire issued and paid-up share capital of Trechance has been transferred to the Company; and
- (b) the Company has issued the Bond to the Vendor.

The Parties have mutually agreed to vary the terms of Completion from those announced in the Previous Announcement, such that:

- (i) the Company will issue the Consideration Shares to the Vendor following: (A) the receipt of the listing and quotation notice from the SGX-ST in respect of the Consideration Shares (the “**L&Q Notice**”); and (B) the satisfaction of the conditions of the L&Q Notice (if any). In the event that the Company does not obtain the L&Q Notice, the outstanding Consideration will be satisfied in such other manner to be agreed between the Company and the Vendor;
- (ii) the Trechance Loan (as defined below) is to be secured by a joint guarantee provided by Mr Ji Yu Dong and Ms Ji Lei in favour of the Company (the “**Joint Guarantee**”), instead of a personal guarantee by only Mr Ji Yu Dong; and

- (iii) the Company has obtained an additional security for the Trechance Loan, being a pledge over the entire registered capital of Guizhou Huacheng Real Estate Development Co. Ltd. (贵州华城房地产开发有限公司) ("**Guizhou Huacheng**", and the pledge, the "**Equity Pledge**").

### 3. SECURITY FOR TRECHANCE LOAN AND GRANT OF CALL OPTION

As disclosed in the Previous Announcement, the Vendor has agreed to repay the Company a sum of RMB80 million by way of a loan outstanding to the Company on the following terms (the "**Trechance Loan**"):

- (a) the principal amount of the Trechance Loan shall bear interest at the rate of 10% per annum (which shall be compounded annually);
- (b) the term of the Trechance Loan shall be three calendar years from the date of the Sale and Purchase Agreement, which may be extended by agreement between the parties (the "**Term**"); and
- (c) the interest on the Trechance Loan shall be payable together with the principal amount of the Trechance Loan at the end of the Term.

While the terms of the Trechance Loan do not stipulate as such, the Company understands that the Vendor intends to use the proceeds of the Trechance Loan to fund the business of Guizhou Huacheng and its related companies (the "**Guizhou Huacheng Group**"). The Guizhou Huacheng Group is primarily involved in the business of property development and property investment in the People's Republic of China. The Guizhou Huacheng Group holds the property assets (other than the Target Assets) which were previously contemplated to be acquired by the Company under the RTO Agreement (which has since been terminated).

As additional security for the Trechance Loan:

- (i) Mr Ji Yu Dong and Ms Ji Lei have provided the Joint Guarantee in favour of the Company;
- (ii) the entire registered capital of Guizhou Huacheng has been pledged in favour of the Company pursuant to the Equity Pledge.

In addition, pursuant to a call option agreement dated 29 October 2013 entered into between the Vendor and the Company (the "**Call Option Agreement**"), the Vendor has granted a call option for a consideration of S\$1.00 to the Company to purchase the entire registered capital of Guizhou Huacheng and/or its related companies at the Option Price (the "**Call Option**"). For the purposes of this paragraph, "**Option Price**" refers to the consideration to be paid by the Company for the entire registered capital of Guizhou Huacheng and/or its related companies upon the exercise of the Call Option, which shall be agreed between the Company and the Vendor and based on, *inter alia*, the net tangible assets of Guizhou Huacheng and/or its related companies as at a date to be agreed. The Company may exercise the Call Option at any time during the one (1) year period commencing on the date of grant of the Call Option.

A copy of the Call Option Agreement will be made available for inspection during normal business hours at the registered office of the Company at 133 New Bridge Road, #15-06, Chinatown Point, Singapore 059413 for three (3) months from the date of this announcement.

**By Order of the Board**

Dr In Nany Sing Charlie  
Executive Chairman  
29 October 2013

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*This announcement was prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

*The 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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