

# CEDAR STRATEGIC HOLDINGS LTD.

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

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## DISPOSAL OF YESS LE GREEN PTE LTD AND WEST THEMES PTE LTD

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### 1. INTRODUCTION

The board of directors (the “**Board**”) of Cedar Strategic Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has disposed (the “**Disposal**”) of its entire equity interest in its two wholly-owned subsidiaries, Yess Le Green Pte. Ltd. (“**YLG**”) and West Themes Pte. Ltd. (“**WT**”) for an aggregate consideration of S\$2,500,000 (the “**Consideration**”) to Yess Management International Pte. Ltd (the “**Purchaser**”). The Purchaser is beneficially owned by Mr Stanley Lee Kiang Leng (“**SLKL**”).

### 2. PRINCIPAL TERMS OF THE DISPOSAL

#### 2.1 Consideration

The Purchaser shall satisfy the consideration by paying an amount of S\$1,000,000 upfront, with the remaining S\$1,500,000 payable in two tranches within the next 18 months (with the first tranche of S\$1,000,000 within the next 12 months). This outstanding amount of S\$1,500,000 shall be secured by a charge over the two property assets owned by WT, namely a unit at Mayfair Industrial Building, located at 51 Jalan Pemimpin and a 2-storey shophouse located at 1120 and 1120A Serangoon Road (the “**Property Assets**”). This charge may be substituted for a charge on sales proceeds should the Property Assets be subsequently sold prior to the payment of the remaining amount.

The Consideration amount was arrived at by the Company and the Purchaser (the “**Parties**”) on a willing-buyer and willing-seller basis, taking into account the property assets and the current operations and future potential of YLG and WT.

#### 2.2 Other Relevant Terms

The Parties have agreed that the Disposal will be deemed to have taken effect from and including 1 November 2013 notwithstanding a later date of completion.

Also, SLKL has agreed to cancel the bonds (of principal amount S\$2,000,000) that were issued to him by the Company as part of the Company’s consideration for the original acquisition of YLG and WT (the “**Bond Cancellation**”). Although the bonds have been cancelled, the warrants that were issued to SLKL as part of the original acquisition remain outstanding, and any exercise of these warrants will be paid in cash.

### 3. RATIONALE

After completing the acquisition of Trechance Holdings Limited and its subsidiaries operating in the People's Republic of China (the "PRC"), the Company has reassessed and re-evaluated its businesses and assets. As such, the decision has been made by the Company's management to focus its resources and attention on larger projects in the PRC for the time being. In addition, the operational and business environment for YLG and WT has deteriorated significantly and is unlikely to turn around in the near future. The Disposal represents the Company's best opportunity to realise the remaining value of these assets.

### 4. FINANCIAL EFFECTS

The pro forma financial effects of the Disposal, based on the audited consolidated financial statements of the Group for 15 months ended 31 December 2012 (the Group's financial year end was recently changed to 31 December), are set out below. The pro forma financial effects are presented for illustration purposes only and are not intended to reflect the actual performance or the financial situation of the Company or the Group after the completion of the Disposal.

#### Earnings per Share

Assuming that the Disposal had been completed on 1 October 2011, the effect on the earnings per Share (the "EPS") of the Group will be as follows:

	Before Disposal	After Disposal
Loss after tax and minority interest (RMB'000)	55,550	55,550
Number of Shares ('000)	4,456,722	4,456,722
Loss per Share (RMB cents)	1.25	1.25

#### Net Tangible Assets

Assuming that the Disposal had been completed on 31 December 2012, the effect on the net tangible assets (the "NTA") per Share will be as follows:

	Before Disposal	After Disposal
NTA (RMB '000)	117,552	117,552
Number of Shares ('000)	4,456,722	4,456,722
NTA per Share (RMB cents)	2.6	2.6

#### Book Value and Gain/Loss on Disposal

The net book value of YLG and WT is RMB4.5 million and as such, the Group will record a loss on the Disposal amounting to RMB3.9 million (after taking into consideration the Bond Cancellation). The proceeds from the Disposal will be used by the Company for working capital.

## 5. DISCLOSEABLE TRANSACTION

Based on the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2013, the relative figures in respect of the Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of SGX-ST (the “Listing Manual”), are as follows:

### Bases in Rule 1006

(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value as at 30 September 2013	3.5%
(b)	Net loss <sup>(1)</sup> attributable to the YLG and WT of approximately RMB4,535,000 <sup>(2)</sup> , compared with net loss of the Group of approximately RMB14,681,000	30.9%
(c)	Consideration of S\$2,500,000 compared with the Company’s market capitalisation <sup>(3)</sup> of approximately S\$30.77 million as at 28 November 2013, being the market day immediately preceding the date of the agreement for the Disposal (the “Agreement”)	8.1%
(d)	Number of equity securities issued as consideration, compared with the number of equity securities of the Company previously in issue	Not applicable

### Notes:

- (1) “Net profits / loss” means profit or loss before income tax, minority interests and extraordinary items.  
(2) Based on an exchange rate of RMB4.9427:S\$1.00.  
(3) “Market capitalisation” is determined by multiplying the number of shares of the Company in issue by the weighted average price of such shares transacted on the market day (of S\$0.0046) preceding the date of the Agreement.

As the relative figures computed on the bases set out in Rules 1006 exceed 5%, the Disposal constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Listing Manual, and has to be immediately announced by the Company.

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three months from the date of this announcement.

### By Order of the Board

Dr In Nany Sing Charlie  
Executive Chairman  
30 November 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.*

*The contact person for the Company's Sponsor is Mr Ng Joo Khin whose details are set out below:*

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