

# CEDAR STRATEGIC HOLDINGS LTD.

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

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**PROPOSED SUBSCRIPTION OF 1,277,777,777 NEW ORDINARY SHARES IN THE CAPITAL OF CEDAR STRATEGIC HOLDINGS LTD. AT S\$0.0036 FOR EACH SUBSCRIPTION SHARE, WITH 1,277,777,777 FREE DETACHABLE UNLISTED WARRANTS ON THE BASIS OF ONE (1) FREE WARRANT FOR EVERY ONE (1) SUBSCRIPTION SHARE, TO RAISE GROSS PROCEEDS OF S\$4,600,000**

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## 1. BACKGROUND

The Board of Directors of Cedar Strategic Holdings Ltd. (the "**Company**") wishes to announce that it has, on 14 February 2014, entered into subscription agreements (the "**Subscription Agreements**") with (i) Sinowealth Capital Limited, (ii) Jadeite Capital, and (iii) Mr. Christopher Chong Meng Tak (collectively, the "**Subscribers**" and individually, a "**Subscriber**").

Pursuant to the terms of the Subscription Agreements, the Company proposes to raise the sum of S\$4,600,000 by issuing an aggregate of 1,277,777,777 new shares in the share capital of the Company (the "**Subscription Shares**") to the Subscribers (the "**Subscription**"), at an issue price of S\$0.0036 (the "**Issue Price**") for each Subscription Share, with 1,277,777,777 free detachable unlisted warrants (the "**Warrants**"), on the basis of one (1) free Warrant for every one (1) Subscription Share. Each Warrant shall carry the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.0036 (the "**Exercise Price**"). The Warrants will not be listed or traded on Catalist.

The total consideration for the Subscription is S\$4,600,000 (the "**Total Consideration**"). The total number of Subscription Shares represents approximately: (i) 27.14% of the share capital of the Company as at the date of the 2013 General Mandate (as defined below) (excluding treasury Shares (as defined below)); and (ii) 16.05% of the share capital of the Company on an enlarged and fully diluted basis (excluding treasury Shares (as defined below)) following the Subscription.

In the event the Warrants are exercised in full by the Subscribers, the gross proceeds from such exercise will amount to S\$4,600,000. The total number of new Shares that may be issued pursuant to the exercise of the Warrants (the "**New Warrant Shares**") represents approximately: (i) 27.14% of the share capital of the Company as at the date of the 2013 General Mandate (as defined below) (excluding treasury Shares (as defined below)); and (ii) 13.82% of the share capital of the Company on an enlarged and fully diluted basis following the Subscription (excluding treasury Shares (as defined below) but including the Subscription Shares).

The shareholders of the Company (the "**Shareholders**") had, at the annual general meeting of the Company held on 10 April 2013 (the "**2013 AGM**"), granted the authority for directors of the Company (the "**Directors**") to allot and issue new ordinary shares in the capital of the Company ("**Shares**"), provided that the aggregate number of Shares to be issued pursuant to such authority does not exceed 100% of the Company's total issued Shares (excluding treasury Shares), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the Shareholders does not exceed 50% of the total issued Shares (excluding treasury Shares) (the "**2013 General Mandate**"). As at the date of the Subscription Agreements, the aggregate number of new Shares that may be issued other than on a pro-rata basis to Shareholders must not be more than 2,625,554,578. The Subscription Shares and the New Warrant Shares are intended to be issued pursuant to the 2013 General Mandate.

## 2. TERMS OF THE SUBSCRIPTION

### 2.1 Issue Price

The Subscription Shares shall be allotted and issued at an issue price of S\$0.0036 per Subscription Share. The Issue Price was arrived at following arm's length negotiations between the Company and the Subscribers, and is equivalent to a discount of 10% to the weighted average price for trades done on the Shares on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 14 February 2014 (being the full market day on which the Subscription Agreements were signed).

### 2.2 The Subscription Shares

The Subscription Shares are intended to be issued pursuant to the 2013 General Mandate.

As at the date of the 2013 AGM, the total share capital of the Company comprised 4,707,935,029 Shares (excluding treasury Shares).

Since the date of the 2013 AGM:

- (a) the 2013 General Mandate has expanded after adjusting for the subsequent exercise of warrants which were outstanding as at the date of the 2013 AGM, to the extent that the Company is authorised to allot and issue up to 5,290,435,029 new Shares on a pro-rata basis (the "**Enlarged General Mandate**"), pursuant to Rule 806(3) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Listing Manual**"). As such, the aggregate number of new Shares that may be issued, other than on a pro-rata basis to Shareholders, must not be more than 2,645,217,514, being 50% of the Enlarged General Mandate. Please refer to the announcements dated 2 September 2013 and 21 October 2013 for further details on this; and
- (b) the Company has undertaken a renounceable non-underwritten rights issue (the "**Rights Issue**"), pursuant to which (i) 1,059,570,002 new ordinary shares in the capital of the Company has been issued, and (ii) 19,662,936 new warrants has been issued upon adjustments to the exercise price and number of warrants. Please refer to the announcements dated 21 October 2013 and 22 November 2013 for further details on the Rights Issue and the adjustment of warrants.

As at the date of this announcement, the aggregate number of new Shares that may be issued, other than on a pro-rata basis to Shareholders, must not be more than 2,625,554,578 (after taking into account the 19,662,936 new Shares to be issued upon the exercise of the 19,662,936 new warrants set out in paragraph 2.2(b) above). As such, the aggregate number of 2,555,555,554 new Shares to be issued pursuant to the Subscription and the exercise of the Warrants falls within the scope of the Enlarged General Mandate.

The Subscription Shares to be issued to the respective Subscribers are as follows:

<b>Name of Subscriber</b>	<b>Number of Subscription Shares</b>
Sinowealth Capital Limited	500,000,000
Jadeite Capital	500,000,000
Christopher Chong Meng Tak	277,777,777
<b>Total</b>	<b>1,277,777,777</b>

The Company will apply to the SGX-ST via the Company's Sponsor for the admission of the Subscription Shares and the New Warrant Shares to Catalist of the SGX-ST and for the listing and quotation of the Subscription Shares and the New Warrant Shares on Catalist of the SGX-ST.

The Subscription Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription.

Pursuant to the allotment and issue of the Subscription Shares, the Company's issued and paid-up share capital (excluding treasury Shares) will increase from 6,689,005,031, as at the date of this announcement, to 7,966,782,808 Shares. Upon completion of the Subscription and assuming the full exercise of the Warrants, the Company's issued and paid-up share capital will increase to 9,244,560,585 Shares.

### **2.3 Additional Listing Application**

The Company will be making an application to the SGX-ST via the Company's Sponsor for the listing and quotation of the Subscription Shares and the New Warrant Shares on the Catalist of the SGX-ST.

### **2.4 Conditions**

The Subscription is subject to, among others, the following:

- (a) completion of a due diligence exercise by the Subscribers, with the cooperation and assistance of the Company, by no later than seven (7) days from the date of the Subscription Agreements, and the results of such due diligence exercise being satisfactory to the Subscribers (acting reasonably), determined with reference to the results not having highlighted any issues which may result in a material adverse change (as more specifically set out and defined in the Subscription Agreements) in the business, operation, assets, financial condition or prospects of the Company, and any conditions deemed necessary by the Subscribers (acting reasonably) as a result of the due diligence exercise being complied with on or before the date of completion of the Subscription Agreements (the "**Completion Date**") or such other date agreed between the parties in writing;
- (b) approval in-principle for the listing and quotation of the Subscription Shares and the New Warrant Shares on Catalist being obtained from the SGX-ST and/or the Company's Sponsor (as the case may be) and such approval not being revoked or amended and, where such approval is subject to conditions pertaining to and are to be complied with by the Subscribers, such conditions being reasonably acceptable to the Subscribers;
- (c) the issue and subscription of the Subscription Shares and Warrants on the Completion Date not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction which is applicable to the Company;
- (d) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreements as at the Completion Date;
- (e) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in the Subscription Agreements if they were repeated on and as of the Completion Date; and
- (f) as of the Completion Date, the trading of the issued Shares on Catalist not being suspended by the SGX-ST (other than a suspension on a temporary basis requested by

the Company) and the issued Shares not having been delisted from Catalist.

An announcement of the receipt of the listing and quotation notice in relation to the Subscription Shares and the New Warrant Shares (the "LQN") will be made in due course when the LQN is obtained.

There will not be any Prospectus or Offer Information Statement issued in connection with the Subscription as the Subscription will be made pursuant to exemptions under Section 272B of the Securities and Futures Act, Chapter 289.

## **2.5 Completion**

Completion is scheduled to take place on the date falling three (3) clear market days after the satisfaction of the conditions set out in paragraph 2.4 above.

## **3. THE SUBSCRIBERS**

The Subscribers are investment holding entities and an individual with an interest in investments into real estate projects and related assets.

The sole director and shareholder of Sinowealth Capital Limited is Mr. Cheong Wei Keat ("Mr. Cheong").

Jadeite Capital is a sole proprietorship registered to Mr. Liu Zheng Yi Joel ("Mr. Liu").

As at the date of this announcement, the Subscribers and, where relevant, their owner, directors and shareholders (as the case may be) do not hold any Shares, and have no connection (including business relationships) with the Company, its Directors and substantial Shareholders, and are not persons to whom the Company is prohibited from issuing Shares to, as provided for by Rule 812 of the Catalist Listing Manual.

## **4. INFORMATION REQUIRED PURSUANT TO RULE 810(2) OF THE CATALIST LISTING MANUAL**

The Company was introduced to Mr. Cheong and Mr. Liu through business associates of the Directors of the Company.

Mr. Christopher Chong Meng Tak ("Mr. Chong") was previously a shareholder of the Company. Mr. Chong was approached by the Company to consider a fresh investment into the Company for the purposes of this fund raising exercise.

The Company intends to use the net proceeds from the Subscription and the exercise of the Warrants (after deducting expenses relating thereto) for (i) the development of real estate projects and/or investment in real estate and/or related assets; and (ii) the remaining amount, if any, for working capital purposes. It is the intention of the Subscribers to make investments into real estate projects and/or related assets.

## **5. GENERAL TERMS AND CONDITIONS OF THE WARRANTS**

The general terms of the Warrants are *inter alia* as follows:

- |                                |   |  |
|--------------------------------|---|--|
| Number of Warrants             | : | 1,277,777,777 in aggregate   |
| Basis of Provisional Allotment | : | One (1) free detachable warrant for everyone (1) Share subscribed, fractional entitlements to be disregarded |
| Detachability and Trading      | : | The Warrants will be detached from the Subscription  |

Shares on issue and will not be listed and traded on the Catalist of the SGX-ST

- Exercise Price : The sum payable in respect of each New Warrant Share for which the holder of the Warrants (the "**Warrantholder**") will be entitled to subscribe upon exercise of a Warrant shall be S\$0.0036 in cash, subject to adjustments under certain circumstances as may for the time being be applicable in accordance with the terms and conditions of the Warrants (the "**Terms and Conditions**")
- Exercise Period : The period during which the Warrants may be exercised commences on the date of the issue of the Warrants and expires at 5.00 p.m. on the day immediately preceding the third (3<sup>rd</sup>) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company and/or the Register of Warrantholders are closed or is not a market day, in which event the Warrants shall expire on the date prior to closure of the Register of Members of the Company and/or the Register of Warrantholders or on the immediately preceding market day, as the case may be, but excluding such period(s) during which the Register of Members of the Company and/or the Register of Warrantholders may be closed (the "**Exercise Period**"). An announcement on the expiry of the Warrants will be made and a notice will be sent to the Warrantholders at least one (1) month before the expiry of the Exercise Period
- Adjustments : The Exercise Price and the number of Warrants held by each Warrantholder shall be subject to adjustments under certain circumstances in accordance with the Terms and Conditions and Rule 829(1) of the Catalist Listing Manual
- Exercise Proceeds : The gross proceeds from the full exercise of the Warrants will be S\$4,600,000

## 6. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The financial effects of the Subscription set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and its subsidiaries (the "**Group**") after the Subscription. The table below sets out the financial effects of the Subscription based on the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the full year ended 31 December 2012 and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2013;
- (b) the financial impact on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Subscription was completed on 31 December 2012 and 30 September 2013 respectively;
- (c) the financial impact on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Subscription was completed on 31 December 2012 and 30 September 2013 respectively;

- (d) the 250,000,000 warrants with an exercise price of S\$0.008 issued by Company on 15 April 2013 pursuant to the acquisition of Yess Le Green Pte. Ltd. and West Themes Pte. Ltd as announced on 28 January 2013, are not exercised; and
- (e) the transaction costs incurred for the Subscription are approximately S\$250,000.

	Before completion of proposed Subscription		After completion of proposed Subscription		After completion of proposed Subscription and full exercise of Warrants	
	FY2012	Unaudited Q32013	FY2012	Unaudited Q32013	FY2012	Unaudited Q32013
<b>Share Capital</b> Paid-up share capital (RMB'000)	407,932	445,608	430,085	468,061	452,238	490,514
Nos. of shares	4,707,935,029	5,296,935,029	5,985,712,806	6,574,712,806	7,263,490,583	7,852,490,583
<b>NTA (RMB'000)</b>	117,552	127,511	139,705	149,964	161,858	172,417
<b>NTA per share (RMB cents)</b>	2.50	2.41	2.33	2.28	2.23	2.19
<b>EPS (RMB cents)</b>	(1.34)	(0.28)	(0.99)	(0.22)	(0.82)	(0.19)

## 7. USE OF PROCEEDS

The net proceeds to be raised by the Company from the Subscription (after deducting estimated expenses of approximately S\$250,000) are approximately S\$4,350,000. In the event the Warrants are exercised in full by the Subscribers, the gross proceeds from such exercise will amount to S\$4,600,000.

The net proceeds from the Subscription and the exercise of the Warrants would enable the Company to be better positioned to capitalise on business opportunities as and when they arise.

The Company intends to use the net proceeds from the Subscription and the exercise of the Warrants (after deducting expenses relating thereto) as follows: (i) up to 100% for the development of real estate projects and/or investment in real estate and/or related assets; and (ii) the remaining amount, if any, for working capital purposes.

The Company will make periodic announcements on the utilisation of proceeds from the Subscription and the exercise of the Warrants as and when the funds are materially disbursed.

## 8. CHANGE IN SHAREHOLDING INTEREST OF SUBSCRIBERS AND SUBSTANTIAL SHAREHOLDERS

Pursuant to the completion of the Subscription, the Company's issued and paid-up share capital (excluding treasury Shares) will increase from 6,689,005,031 Shares to 7,966,782,808 Shares (the "**Enlarged Share Capital**"). Upon completion of the Subscription

and in the event of the full exercise of the Warrants, the Company's issued and paid-up share capital will increase to 9,244,560,585 Shares.

The shareholding interests of the Subscribers before and after the Subscription, as a percentage of the current share capital of the Company and the Enlarged Share Capital respectively, are set out below:

Name	Number of Shares before Subscription	As a % of the total share capital before Subscription	Number of Shares after Subscription	As a % of the total share capital after Subscription	Number of Shares after Subscription and full exercise of the Warrants	As a % of the total share capital after Subscription and full exercise of the Warrants
Sinowealth Capital Limited	-	-	500,000,000	6.28%	1,000,000,000	10.82%
Jadeite Capital	-	-	500,000,000	6.28%	1,000,000,000	10.82%
Christopher Chong Meng Tak	-	-	277,777,777	3.49%	555,555,554	6.00%
<b>Total</b>	-	-	1,277,777,777	16.05%	2,555,555,554	27.64%

None of the Directors of the Company are Shareholders. The shareholding interest of the substantial Shareholders, before and after the Subscription, as a percentage of the current share capital of the Company and the Enlarged Share Capital respectively, is set out below:

Name	Number of Shares before Subscription	As a % of the total share capital before Subscription	Number of Shares after Subscription	As a % of the total share capital after Subscription	As a % of the total share capital after Subscription and exercise of the Warrants
Blessed Forever Ltd <sup>(1)</sup>	288,741,052	4.31%	288,741,052	3.62%	3.12%
Zhao Yanshi	140,963,000	2.11%	140,963,000	1.77%	1.53%

**Notes:**

- (1) Blessed Forever Ltd holds 288,741,052 Shares through its nominee, Maybank Kim Eng Securities Pte. Ltd..
- (2) Mr. Zhao Yanshi holds the entire equity interest in Blessed Forever Ltd and is thus deemed to be interested in the 288,741,052 Shares held by Blessed Forever Ltd.

As at the date of this announcement, none of the Subscribers are Shareholders.

Following the completion of the Subscription, each of Sinowealth Capital Limited, Jadeite Capital and Mr. Chong will hold 6.28%, 6.28% and 3.49% respectively of the Enlarged Share

Capital. Upon completion of the Subscription and in the event of the full exercise of the Warrants, each of Sinowealth Capital Limited, Jadeite Capital and Mr. Chong will hold 10.82%, 10.82% and 6.00% respectively of the then enlarged share capital of the Company.

The Subscribers are not related to each other. As such, there will be no change in control in the Company pursuant to the completion of the Subscription.

## **9. CONFIRMATION BY DIRECTORS**

The Directors are of the opinion that: (i) after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements; (ii) after taking into consideration the present bank facilities available to the Group and the net proceeds from the Subscription, the working capital available to the Group is sufficient to meet its present requirements; and (iii) after taking into consideration the present bank facilities available to the Group and the net proceeds from the Subscription and the exercise of the Warrants, the working capital available to the Group is sufficient to meet its present requirements.

## **10. GENERAL**

None of the Directors or substantial Shareholders has any interest, direct or indirect, in the Subscription.

The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares and the New Warrant Shares has been obtained from the SGX-ST and/or the Company's Sponsor (as the case may be).

## **11. RESPONSIBILITY STATEMENT**

The Directors of the Company 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 Subscription, the Company and its subsidiaries, and the Directors of the Company 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 of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

## **12. DOCUMENT AVAILABLE FOR INSPECTION**

Copies of the Subscription Agreements are available for inspection at the Company's registered office at 133 New Bridge Road #15-06 Chinatown Point Singapore 059413 during normal business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board  
Cedar Strategic Holdings Ltd.

Dr. Charlie In  
Executive Chairman  
17 February 2014

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Stamford Law Corporation (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this announcement.*

*This 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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