CEDAR
Strategic
世达

ANNUAL REPORT
2013

CONTENTS

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CORPORATE PROFILE

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Cedar Strategic Holdings Ltd. ("CSH" or the "Company", and together with its subsidiaries, the "Group") was incorporated in Singapore on 17 October 1980. Formerly known as China Titanium Ltd., the Company adopted the name Cedar Strategic Holdings Ltd. on 7 December 2012 following the restructuring of its business model, effectively changing its core business to real estate.

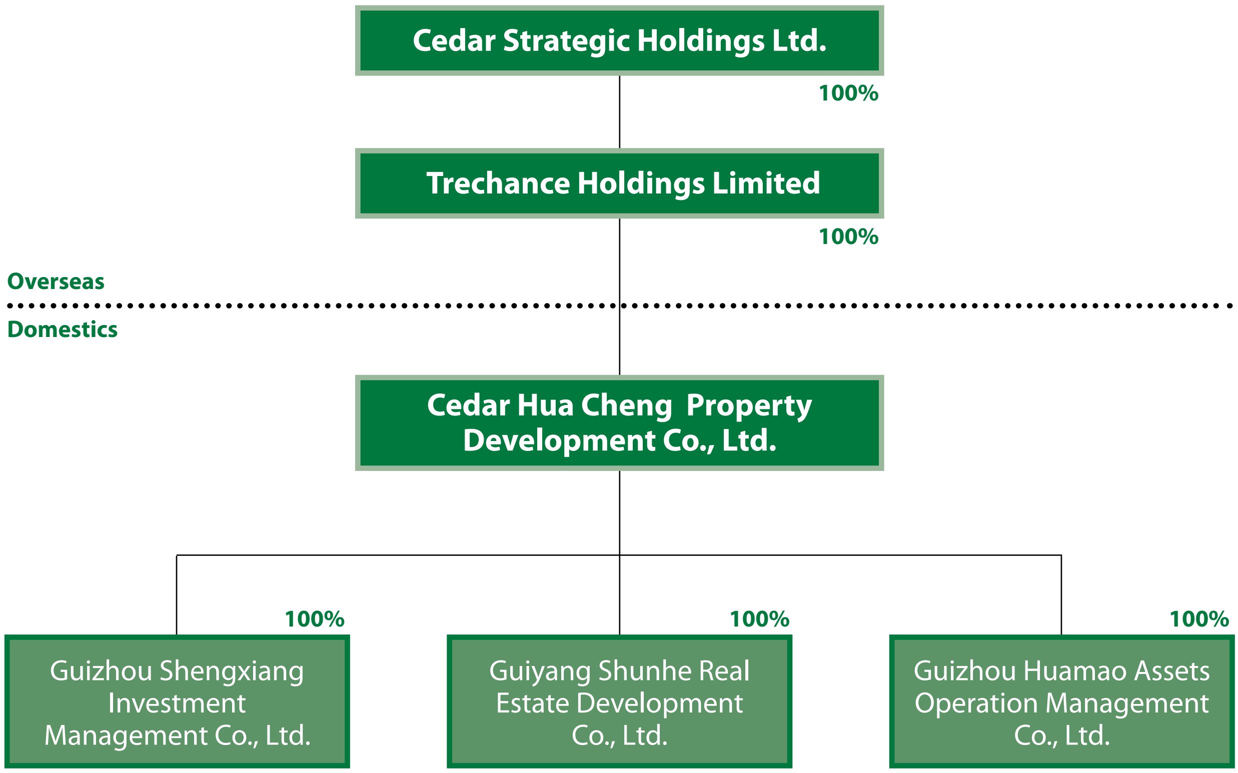
On 22 February 2013, CSH successfully completed the divestment of its 51% equity stake in Jade Marketing & Distribution Pte. Ltd. and 100% stake in Jade Real Estate Pte. Ltd. The Group recognised a gain of RMB84 million on the disposal of its titanium dioxide business.

In line with the Group's ongoing business transformation, CSH acquired Trechance Holdings Limited, the holding company of Cedar Hua Cheng Property Development Co., Ltd, which in turn owns Guizhou Shengxiang Investment Management Co., Ltd ("Shengxiang"), Guiyang Shunhe Real Estate Development Co., Ltd. ("Shunhe") and Guizhou Huamao Assets Operation Management Co., Ltd. ("Huamao")(collectively, the "Trechance Group").

The Trechance Group is principally involved in the development of residential and commercial properties, with a track record of over 30 years in Guizhou Province, the People's Republic of China (the "PRC"). Through Shunhe, the flagship project of CSH is "Xiao Cheng Gu Shi", a modern residential development with commercial components located at No. 117 Zhujiang Road, Xiaohe District at Guiyang City, Guizhou Province, the PRC.

Going forward, the Group will focus on expanding its footprint in the real estate sector in the PRC and the region, striving to maximise shareholders' value in the longer term.

GROUP STRUCTURE



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Cedar Strategic Holdings Ltd's ("CSH" or the "Company") annual report for the financial year ended 31 December 2013 ("FY2013").

Financial Turnaround

The year 2013 was an eventful and transitional time for the Company. With the completion of the acquisition of Trechance Holdings Limited ("Trechance", and together with its subsidiaries, the "Trechance Group"), we have successfully transformed the Company into a real estate player and leapfrogged into an enviable position in the Chinese property market, as evidenced in the turnaround in our financials.

For FY2013, the Company reported a net profit of RMB76.07 million. This remarkable turnaround from our previous year's losses of RMB59.60 million is a resounding vindication of the management's decision to exit the previous titanium dioxide business and venture into the real estate business, with a focus on China and what is touted as the nation's engine of future economic growth: urbanisation in third- and fourth-tier cites as first-tier cities like Beijing, Shanghai, Shenzhen and Guangzhou reach maturity in their property markets and consumption habits. The ultimate goal of the Chinese government's modernisation plan is to fully integrate 70 per cent of the country's population, or the equivalent of approximately 900 million people, into city living by 2025[1].

As of 2012, about 53 per cent of China's 1.35 billion residents lived in cities, with rapid urban growth expected to continue[2]. With an estimated 20 million people moving from the countryside into cities each year[3], the demographics of China is changing as are the people's way of life and the quality of living demanded, underpinned by relatively strong demand from ordinary homebuyers. CSH enjoys first-mover advantage as a trusted Singapore brand, and in working with reputable state-linked construction firm, China Gezhouba Group Company Limited, the Company is well positioned in the local markets of Bijie City and Guiyang City in Guizhou Province – differentiated by our affordable and well-designed quality housing and amenities, as well as providing strong post-sales supporting services.

Cherry-Picking a Bountiful Harvest

As with all change, the transition to the real estate business did not come easy and took much time and effort. Weaknesses in the global macro-economy remain and conscious of the moderating growth in China, property developers nationwide are adjusting their foci and strategies to mitigate risks and better exploit existing opportunities in the competitive Chinese real estate industry. In transitioning to our current business model, the management of CSH sought to deliver three goals: solid recurring income; stable operating performance; and the execution of a prudent financial strategy.

Ongoing challenges in the operating environment meant that circumstances did not permit us to acquire all of Trechance Group's real estate assets in China, as outlined in the original proposal. Instead, in demonstrating CSH's operational flexibility and practising prudent financial management, we acquired selective assets that were immediately yield-accretive to the Company, with the option to acquire other suitable assets at a later stage.

Moving into the second half of 2014, we are focusing our efforts on completing and delivering additional units in the next phase of our project in Guiyang City, *Xiao Cheng Gu Shi*, which is expected to generate a stable income stream for this financial year ("FY2014"). With an option to acquire a large and well located land bank of 4.9 million square metres in total attributable gross floor area in Guizhou Province as of 31 December 2013, there exists attractive property development opportunities as we continue to actively source for other suitable real estate projects and land for acquisition or collaboration with third parties.

Appreciation

Drawing back to the Company's name, the Cedar tree takes many years to grow to full maturity and metaphorically, we are but a mere sapling now though with sturdy roots. The challenge for this year will be to nurture those first shoots of growth and lay in place a strong foundation that will underpin a stable operating performance going forward.

Following the transformation of the Company, there have also been changes at the management level. I would like to express our gratitude for their past contributions as the Company bids farewell to three of our Board of Directors: Non-Executive Director, Mr Zhao Yanshi; Executive Director, Mr Peng Weile Leo; and Executive Director, Ms Joyce Yin. On this note, I would like to welcome two new members: Independent Director, Mr Tay Hun Kiat, whose extensive property development and management experience in China will add significant weight to the Company's strategy and corporate governance practices; and Chief Financial Officer, Ms Lim Chai Har, whose financial expertise and experience in mergers and acquisitions will prove valuable as the Company grows in the days ahead.

In closing, the Board would like to thank our business partners, stakeholders, staff and shareholders for your continued support and dedication on this journey with us, as we move into the next stage of development.

Yours sincerely,

Dr In Nany Sing Charlie
Executive Chairman

1 "China's Great Uprooting: Moving 250 Million into Cities", The New York Times, 15 June 2013
2 "China's Leaders Push Urbanization as Engine for Growth", The Wall Street Journal, 15 December 2013
3 "Insight – China's second and third tier markets for Australian goods and services", Australian Trade Commission (Austrade), October 2013

BOARD OF DIRECTORS

Dr In Nany Sing Charlie

Executive Chairman

Dr In Nany Sing Charlie is our Executive Chairman. Dr In was appointed to the Board of Directors of our Company on 30 April 2010 as a Non-executive Director. He was re-designated as an Executive Director on 01 April 2011. Dr In was appointed as a member of the Nominating & Corporate Governance Committee on 20 January 2012. On January 2013, Dr In was re-designated as Executive Chairman and was last re-elected on 10 April 2013.

Dr In has extensive experience in business management, capital sourcing, consulting, marketing, mergers and acquisitions. He was instrumental in arranging the public listing of several PRC Companies. He is currently the advisor to Talent Advisory Panel of the People's Association in Singapore.

Dr In was the Chairman of Direct Marketing Association of Singapore, an advisor of Asia Pacific Management Institute, Sapphire Corporation Limited, Sky China Petroleum Services Ltd and Ying Li International Real Estate Limited. He was also an adjunct faculty member of Singapore Institute of Management for 20 years and 17 years at University of South Australia.

Dr In is the first Singaporean to be honoured as the Most Respected Financial Writer of the Year Award at the 2010 Golden Mulberry Award - Business/Finance sub-category of The Big Ben Award, organized by the British Chinese Youth Federation.

Dr In holds a Masters of Business Administration from University of East Asia and a Postgraduate Diploma in Direct Marketing from ADMA/Macquarie University Australia.

He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance.

Mr Chua Cheow Khoon, Michael

Lead Independent Director

Mr Chua Cheow Khoon Michael is our Lead Independent Director. Mr Chua was appointed to the Board of Directors of our Company on 19 December 2011 as an Independent Director. On 20 January 2012, Mr Chua was re-designated as Lead Independent Director. He serves as the Chairman of the Audit Committee and a member of the Nominating & Corporate Governance Committee and Remuneration Committee. Mr Chua was last re-elected on 10 April 2013. Mr Chua is retiring at the forthcoming Annual General Meeting pursuant to Article 87 of the Company's Articles of Association and he will be standing for re-election.

Mr Chua is an Executive Director of BMD Consulting Pte Ltd , a management consultancy practice in Singapore. He has more than 30 years of experience in accounting, corporate finance, general management and management consultancy and has held senior positions in multinational companies including the Singapore Technologies Group and the Sembcorp Group of companies. Mr Chua was formerly the Chief Investment Officer of Sapphire Corporation Limited and Non Executive Director of National Car Rentals Pte Ltd.

Currently, Mr Chua is the Non-Executive Chairman of JB Foods Limited and an Independent Director and Audit Committee Chairman of Cogent Holdings Limited, companies listed on the Mainboard of SGX-ST.

Mr Chua holds a degree in accountancy from the Mitchell College of Advanced Education and is a Fellow of CPA Australia.

He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance.

BOARD OF DIRECTORS

Azman Hisham Bin Jaafar
Independent Director

Mr Azman Hisham Bin Jaafar is our Independent Director. Mr Azman was appointed to the Board of Directors of our Company on 20 January 2012 as an Independent Director. He serves as the Chairman of the Remuneration Committee, Chairman of the Nominating & Corporate Governance Committee and is a member of the Audit Committee. Mr Azman was last re-elected on 10 April 2013. Mr Azman is retiring at the forthcoming Annual General Meeting pursuant to Article 87 of the Company's Articles of Association and he will be standing for re-election.

Mr Azman is an Advocate & Solicitor, and Partner of RHTLaw Taylor Wessing LLP, heading the firm's Indonesia Practice. He has advised and represented clients in numerous transactions involving mergers and acquisitions, corporate finance, mining, and oil and gas transactions in Singapore, China and Indonesia.

Mr Azman speaks and writes Mandarin and Bahasa Indonesia fluently, and is a guest tutor at the National University of Singapore Law Faculty's Legal Case Studies programme. He is also a regular speaker at seminars on mergers and acquisitions, initial public offerings and regulatory compliance in Singapore and Indonesia.

Mr Azman was named AsiaLaw Leading Lawyers 2009 — Capital Markets/Corporate Finance and Corporate Governance. In 2007, he was awarded a Public Service Medal (Pingat Bakti Masyarakat, PBM) by the President of the Republic of Singapore in recognition of his contribution as a councillor with Northeast Community Development Council, from which he received a Long Service Award.

Currently, Mr Azman is an Independent Director of EpiCentre Holdings Limited and a Non-executive Director of P99 Holdings Limited.

Mr Azman obtained LL.B (Hons) from the National University of Singapore.

He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance.

Mr Huang Chuan
Independent Director

Mr Huang Chuan is our Independent Director. Mr Huang was appointed to the Board of Directors of our Company on 01 October 2012. Mr Huang was last re-elected on 10 April 2013. He serves as a member of the Audit Committee, Nominating & Corporate Governance Committee and Remuneration Committee. Mr Huang has a good grasp of the China property market, in-depth understanding of the Chinese language and culture, hands on experience in the PRC building and construction business and good business and governmental working relationships in South West China, particularly in Chongqing, Guizhou and Sichuan.

Currently, Mr Huang is the Managing Director of Southwest China Gezhouba Group. Previously, he was an Executive Director of North Morning Investment Hong Kong Limited, Senior Project Manager of Chongqing Kangda Environmental Protection Co. Ltd and Sichuan Office Manager of China Huayuan Group.

Mr Huang holds a Masters degree in environmental engineering from Tsinghua University.

He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance.

BOARD OF DIRECTORS

Tay Hun Kiat

Independent Director (joined on 15 April 2014)

Mr Tay Hun Kiat is our Independent Director. Mr Tay was appointed to the Board of Directors of our Company on 15 April 2014. He serves as a Chairman of the Nominating & Corporate Governance Committee and member of Audit Committee and Remuneration Committee. Mr Tay is retiring at the forthcoming Annual General Meeting pursuant to Article 94 of the Company's Articles of Association and he will be standing for re-election.

Mr Tay is currently a Partner of Prometheus Partners Limited since late 2013. He is responsible for investment and business development advisory in Singapore and the rest of Asia.

Mr Tay served as EVP (Business Development) in Singbridge Corporate Private Limited in 2013, and was responsible for structuring the Sino-Singapore Jilin Food Zone Joint Venture Agreement. From 2010 to 2012, he served as the first CEO and Director of Sino-Singapore Guangzhou Knowledge City Investment and Development Company, Limited in China. He led and operationalised the start-up operations including equity investment of RMB4b, land banking of 6.12 sq km, master planning, development of real estate and infrastructure, and industrial investment promotion. Between 2008 and 2010, he was the CEO of Universal Success Limited (USEL), leading infrastructure, real estate and industrial investment and development businesses in India. He has built-up 720ha land bank and developed major real estate projects in West Bengal and Gujarat.

Prior to joining USEL, Mr Tay worked for Temasek Group of companies for 15 years in engineering, real estate, and infrastructure sectors. As the President of Asia-Pacific Operations for ST Electronics Limited between 2003 and 2008, he oversaw 12 companies' P&Ls, achieved business growth in the Asia Pacific Region and developed new businesses in transport and infrastructure IT in India, China and USA.

When Mr Tay was the President of Chartered Electro-Optics Pte Ltd (now renamed as STELOP Pte Ltd), a part of ST Electronics, he jointly invented and patented the world's first Infrared Fever Screening System (IFss) used during the 2003 SARS outbreak. The invention won US Tech Museum Award for Invention of IFss (2004) and US Time Magazine Award of Top 10 Coolest Innovations (2003).

From 1995 to 2000, Mr Tay held key real estate appointments including Vice-President of CapitaLand Limited and Deputy Managing Director of Premas International Limited, as well Senior Manager and Head of Investment (UK) of Keppel Land Limited. He was responsible for real estate investment, development and management.

Mr Tay started his career in Singapore Ministry of Defence where he assumed various key positions including Deputy Assistant Chief of General Staff, Brigade Commander and Head Operations Analysis (OA) Branch (Chief Defence Scientist Office). He oversaw Army's OA, infrastructure and technology development.

During his 30 years of career, Mr Tay has held Chairman and Director appointments in several public and private companies in the US and the Asia Pacific Region.

Mr Tay has a BA (Mathematics) from Oxford University, an MSc (Operations Research) from the US Naval Postgraduate School, an MBA from the University of Hull and completed the Programme for Management Development at Harvard Business School.

He does not have any relationship including immediate family relationship with the Directors, the Company or its 10% shareholders as defined in the Code of Corporate Governance.

KEY EXECUTIVES

Mr Soh Chun Bin
Chief Executive Officer

Mr Soh Chun Bin was appointed as the Chief Executive Officer on 15 July 2012. Mr Soh is responsible for the overall management and profitability of the Company and its subsidiaries.

Prior to joining the Company, Mr Soh was an equity partner of Stamford Law Corporation, a major law firm well known for its expertise in corporate finance and mergers and acquisitions. He had been one of the early pioneering lawyers at Stamford Law at its inception in the early 2000s, and had been a qualified lawyer specializing in capital markets and mergers and acquisitions for more than 12 years.

Mr Soh has advised on many Singapore and international initial public offerings of corporations and real estate investment trusts, including secondary equity and debt fund raising by such entities. He has a wealth of experience and expertise on many cross-border transactions and has a broad network spanning countries such as China and Indonesia.

Mr Soh has been recognized as a leading lawyer by legal publications such as Chambers and Partners and AsiaLaw, and also sits on the boards of listed companies. He was a former scholar with a global MNC, and has a LL.B (Hons) from the National University of Singapore.

Mr Chng Kang Hai*
Financial Controller

Mr Chng Kang Hai was appointed on 18 November 2012. Mr Chng was responsible for accounts, finance and treasury management of the Group. He also handles all matters relating to investments, mergers & acquisitions, fund raising and corporate matters of the Group.

Mr Chng has over 10 years of experience in accounting and finance. Prior to joining the Company, Mr Chng was a Finance Director/Finance & Admin Manager (Senior Manager) of Wan Chung Construction (Singapore) Pte. Ltd., where he was responsible for all aspects of the finance function and accounting activity matters of the Singapore Group. Mr Chng was previously in the audit sector attached to KMPG Singapore, Ernst & Young, TeoFoongWong LCLoong and Kong, Lim and Partners LLP.

Mr Chng holds a Bachelor of Business in Accountancy from Queensland University of Technology and is a Certified Public Accountant of Australia.

(*resigned on 20 March 2014)

OPERATING AND FINANCIAL REVIEW

As announced on 22 February 2013, the transfer (the "Equity Transfer") to Talented Creation International Limited ("TCI") of all the Company's interests and title in its 51% equity stake in Jade Marketing & Distribution Pte. Ltd. ("JMD") and its 100% stake in Jade Real Estate Pte. Ltd. ("JRE"), as well as the Company's purchase of the land in Kaiyang County, Guizhou Province has been completed. Pursuant to the completion of the Equity Transfer, the Group has written back the deferred income of RMB98.30 million which has been offset by the loss on disposal of Yess Le Green Pte Ltd. ("YLG") and West Themes Pte. Ltd. ("WT") of RMB5.32 million (further described below). As such, the Group has recorded a gain of RMB86.26 million arising from discontinued operations.

The Company had announced on 26 August 2013 that it had entered into a termination agreement (the "Termination Agreement") to terminate the proposed reverse takeover of Guizhou Hua Cheng Real Estate Development Co., Ltd and its associated group of Companies. At the same time the Company entered into a sale and purchase agreement with Talented Creation International Limited ("TCI") relating to the acquisition of Trechance Holdings Limited ("Trechance") and its subsidiaries, namely Cedar Hua Cheng Property Development Co., Ltd. ("CHC"), Guizhou Shengxiang Investment Co., Ltd. ("Shengxiang"), Guiyang Shunhe Real Estate Development Co., Ltd. ("Shunhe") and Guizhou Huamao Assets Operation Management Co., Ltd. ("Huamao") (collectively the "Trechance Group").

Pursuant to the acquisition, the Group secured a foothold in the PRC real estate industry.

The Company announced the disposal of YLG and WT on 30 November 2013 to Yess Management International Pte. Ltd. The disposal is deemed to have taken effect from and including 1 November 2013 notwithstanding a later date of completion. Pursuant to the disposal, the Group recorded a loss of RMB5.32 million.

The Company announced the completion of the acquisition of the Trechance Group on 29 October 2013. With the completion of this acquisition, the Group recorded revenue in the fourth quarter of FY2013 ("4Q2013") of approximately RMB61.13 million from continuing operations, contributed by the Trechance Group (arising mainly from the sale of property units in the "Xiao Cheng Gu Shi" project). The Group's total revenue for FY2013 was approximately RMB61.13 million from continuing operations, compared to no operating revenue being recorded for the financial year ended 31 December 2012 ("FY2012"), as the Group was in the midst of disposing its titanium dioxide business, which has since been completed. Gross profit of approximately RMB17.31 million was recorded for FY2013, after deducting direct costs of approximately RMB43.83 million for the same period.

Other income of approximately RMB9.94 million for FY2013 was derived mainly from interest income on the receivables from the vendor of the Trechance Group. The Group also incurred administration expenses of approximately RMB34.05 million, representing an increase of approximately 53.33% over the previous financial year. The increase in administration expenses was due mainly to mergers and acquisitions ("M&A") activity (including sourcing of new property projects), an increase in staff costs (including equity-based compensation) and higher professional and related fees incurred as a result of the increased M&A activity. Consequently, for FY2013, the Group recorded a loss after income tax from continuing operations of approximately RMB10.20 million. Depreciation of 1.33 million was mainly incurred by the disposed titanium dioxide business, YLG and WT.

The Group recorded an overall net profit of RMB76.07 million mainly due to profit from discontinued operations of approximately RMB86.26 million. The profit from discontinued operations was mainly due to an overall gain on the disposal of subsidiaries of approximately RMB92.98 million (which is a write back of the Group's deferred income of approximately RMB98.30 million due to the completion of the disposal of the previous titanium dioxide business, partially offset by a loss on disposal of YLG and WT of approximately RMB5.32 million). This is a significant improvement over the previous year's loss of approximately RMB59.60 million.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr In Nany Sing Charlie
Executive Chairman

Chua Cheow Khoon Michael
Lead Independent Director

Azman Hisham Bin Jaafar
Independent Director

Huang Chuan
Independent Director

Tay Hun Kiat
Independent Director
(Appointed on 15 April 2014)

Yin ZhenWei Joyce
Executive Director
(Appointed on 8 May 2013
resigned on 31 March 2014)

Peng Weile Leo
Executive Director
(Resigned on 31 December 2013)

Zhao Yanshi
Non-executive Director
(Resigned on 31 December 2013)

AUDIT COMMITTEE

Chua Cheow Khoon Michael
Chairman

Azman Hisham Bin Jaafar
Huang Chuan
Tay Hun Kiat

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Tay Hun Kiat
Chairman

Azman Hisham Bin Jaafar
Chua Cheow Khoon Michael
Huang Chuan

REMUNERATION COMMITTEE

Azman Hisham Bin Jaafar
Chairman

Chua Cheow Khoon Michael
Huang Chuan
Tay Hun Kiat

COMPANY SECRETARIES

Ong Beng Hong
Tan Swee Gek

REGISTERED OFFICE

20 Havelock Road, #02-50 Central Square Singapore 059765
Tel: (65) 6236 2986 Fax: (65) 6236 2987
Email: enquiries@cedarstrategic.com
Website: www.cedarstrategic.com

COMPANY REGISTRATION

No. 198003839Z

REGISTRAR & SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
63 Cantonment Road Singapore 089758

CATALIST SPONSOR

Stamford Corporate Services Pte. Ltd.
10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315

AUDITORS

Foo Kon Tan Grant Thornton LLP
47 Hill Street #05-01 Singapore Chinese Chamber of
Commerce & Industry Building,
Singapore 179365
Partner-in-charge: Kong Chih Hsiang, Raymond
(Appointment since financial year ended 31 December 2013)

BANKERS

Citibank N.A.
8 Marina View #16-01 Asia Square Tower 1 Singapore 018960

DBS Bank
6 Shenton Way #02-02 DBS Building Tower 1 Singapore 068809

CORPORATE GOVERNANCE

The Listing Manual – Section B: Rules of Catalist ("**Catalist Rules**") issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") require an issuer to describe its corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2012 (the "**Code**") in its annual report. An issuer is also required to disclose any deviation from any guideline of the Code together with an appropriate explanation for such deviation in the annual report.

Accordingly, the Board of Directors ("**Board**") and the management of Cedar Strategic Holdings Ltd. ("**CSH**" or the "**Company**") wish to assure its shareholders that they are committed to maintaining a high standard of corporate governance to protect the interests of shareholders, employees and customers, and to promote investors' confidence. The Company has adopted practices based on the Code.

In accordance with Rule 710 of the Catalist Rules, this Report sets out the Company's corporate governance practices. The Company believes that it has generally complied with the spirit and intent of the Code and but in areas where the Company deviates from the Code, rationale is provided herein.

In addition to the Code, the Company has also adopted a code of ethics ("**Ethics**") to provide its employees with guidance on how to act in ways to prevent the Group, its employees and all those who come into contact with the Group from being exposed to harm. Copies of the Company's Ethics have been circulated to the Group's employees and may also be found at the Company's registered office.

BOARD MATTERS

Board's Conduct of Its Affairs

Principle 1: Effective Board to lead and control the Company

The Board's principal roles include promoting long-term shareholder value, ensuring that the businesses of the Company and its subsidiaries (collectively referred herein as the "**Group**") are effectively managed and properly conducted by management and ensuring proper observance of corporate governance practices.

In addition to statutory duties and responsibilities, the Board's duties include the following:

a) reviewing and approving the annual budget;

b) reviewing and approving key business and financial strategies and objectives for the Group;

c) reviewing and approving major corporate and/or financial restructuring and/or share issuance;

d) reviewing and approving major transactions, including acquisitions, divestments, investments and capital expenditure;

e) ensuring internal controls are in place and functional for its continuing operations and enables risk to be assessed and managed;

f) overseeing risk management strategies;

g) reviewing and approving quarterly and annual results announcements;

h) reviewing and approving the annual report and audited financial statements;

i) reviewing and providing guidance to the management of the Company;

j) ensuring adequacy of necessary financial and human resources to meet the Group's objectives;

Board's Conduct of Its Affairs (cont'd)

k) providing entrepreneurial leadership and set strategic directions;

l) establishing and maintaining Company's values and standards and ensuring obligations to shareholders and others are understood and met;

m) approving nominations to the Board and appointment of key personnel;

n) ensuring the Group's compliance with all relevant and applicable laws and regulations; and

o) assuming responsibility for the corporate governance of the Group.

The Board has set up three committees to assist in the execution of the Board's responsibilities. These committees ("**Board Committees**") include the Nominating & Corporate Governance Committee ("**NCGC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**"). Each Committee functions within clearly defined terms of its Charter. In particular, the NCGC reviews the effectiveness of the Board, AC and RC and each individual Director annually, while the Board reviews the effectiveness of NCGC annually.

Directors' Attendance at Board, Board Committee Meetings and other Additional Meetings

The Board meets at least four times each year and at other times as required. Board Committees meet in accordance with their respective Charters or as needed. Meetings are held in person and by telephone conference to enable widest participation by Directors who may be in different geographical locations. The Directors also engage in discussions via email correspondence. Where a decision has to be made before a board meeting is convened, directors' resolutions in writing are circulated in accordance with the Articles of Association ("**Articles**") of the Company and the Directors are provided with all relevant information and documents to allow them to make informed decisions.

The attendance of the Directors at meetings of the Board and Board Committees in the financial year ended 31 December 2013 ("**FY2013**") is tabulated on the next page:

Directors' Attendance at Board, Board Committee Meetings and other Additional Meetings

	Board of Directors	Audit Committee	Nominating & Corporate Governance Committee	Remuneration Committee
Number of Meetings per Charter	4	4	2	2
Number of Meetings Held	5	5	2	2

Name of Directors	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended
In Nany Sing Charlie (Dr) [1]	5^	5 (attended as invitee)	2	2 (attended as invitee)
Yin Zhenwei Joyce [2]	5#	5#	N/A	N/A
Chua Cheow Khoon Michael [3]	5	5	2	2
Azman Hisham Bin Jaafar [4]	5	5	2	2
Huang Chuan[5]	5*	5*	2*	2*
Zhao Yanshi [6]	5+	2 (attended as invitee)	1 (attended as invitee)	2+
Peng Weile Leo [7]	5~	2 (attended as invitee)	2~	1 (attended as invitee)
Tay Hun Kiat [8]	-	-	-	-

N/A - not applicable

^ Attended 1 Board of Directors' Meeting via teleconference.
# Attended 1 Board of Directors' Meeting and 1 Audit Committee Meeting as Management of the Company.
* Attended 4 Board of Directors' Meeting, 4 Audit Committee Meeting, 1 Nominating & Corporate Governance Meeting and 1 Remuneration Meeting via teleconference.
+ Attended 4 Board of Directors' Meeting and 1 Remuneration Committee Meeting via teleconference.
~ Attended 4 Board of Directors' Meeting and 1 Nominating & Corporate Governance Meeting via teleconference.

Notes:

1. Appointed as a Member of the Nominating & Corporate Governance Committee on 20 January 2012. Served as an Executive Director until 31 December 2012. Re-designated as Executive Chairman on 1 January 2013. Announcement on re-designation was released via SGXNET on 31 December 2012.

2. Appointed as an Executive Director on 8 May 2013. Announcement on the appointment was released via SGXNET on 8 May 2013. Resignation as an Executive Director on 31 March 2014. Announcement on the resignation was released via SGXNET on 31 March 2014.

3. Appointed as an Independent Director on 19 December 2011. Re-designated as Lead Independent Director and appointed as the Chairman of AC and a Member of NCGC & RC on 20 January 2012. Announcements in relation to the appointment as Independent Director and to the Board Committees were released via SGXNET respectively on 19 December 2011 and 20 January 2012.

Notes (cont'd)

4. Appointed as an Independent Director, the Chairman of RC and a Member of AC and NCGC on 20 January 2012. Re-designated as Chairman of NCGC on 1 October 2012. Announcements in relation to the appointment as Independent Director and re-designation were released via SGXNET respectively on 20 January 2012 and 1 October 2012.

5. Appointed as an Independent Director and a Member of AC, RC & NCGC on 1 October 2012. Announcement in relation to the appointment as Independent Director and to the Board Committees was released via SGXNET 1 October 2012.

6. Resigned as Director of the Company, stepped down as Member of RC on 31 December 2013. Announcement in relation to cessation of appointment as Director was released via SGXNET on 31 December 2013.

7. Retired as Director of the Company, stepped down as Member of NCGC on 31 December 2013. Announcement in relation to cessation of appointment as Director was released via SGXNET on 31 December 2013.

8. Appointed as an Independent Director on 15 April 2014 and accordingly, he did not attend any board meetings in FY2013.

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly and annual results, interested person transactions of a material nature, and declaration of interim dividends and proposal of final dividends. All other matters are delegated to committees whose actions are reported to and monitored by the Board.

The Board will be adopting a formal document setting out the following:

(a) the matters reserved for the Board's decision; and

(b) clear directions to Management on matters that must be approved by the Board.

The Company also has a training budget for its Directors to attend courses and seminars, which is utilised as and when needed. The Company relies on and encourages its Directors to update themselves on new laws, regulations and changing commercial risks. Accordingly, information on courses or seminars in relation to the roles and responsibilities as Director of a listed company as well as revisions to laws or regulations (which are applicable to the Group) are disseminated to Directors.

The Company also has in place orientation programs for newly appointed Directors to ensure that they are familiar with the Group's structure, the Group's business and its operations. New Directors will be expected to undergo orientation with the Company which includes meeting with the Executive Chairman for an introduction to the business of the Group. Newly appointed Directors are also given a formal letter explaining their duties and obligations as Directors. The newly appointed Directors are also encouraged to attend formal courses to familiarise themselves with the regulatory environment in Singapore and the roles and responsibilities as Director of a listed company. The external auditors also briefed the AC members on development of accounting standards (where applicable) during AC meetings whilst the Company Secretary periodically updates the Board on any changes to the regulatory environment in Singapore as well as the roles and responsibilities as Director of a listed company.

In the event that a Director is interested in any transaction of the Group, he shall be obliged to inform the Board accordingly and abstain in making any recommendation or decision in relation to that transaction.

CORPORATE GOVERNANCE

Board Composition & Balance

Principle 2: Strong and independent element on the Board

As at the date of this Report, the Board comprises the following members:

In Nany Sing Charlie (Dr) (Chairman)	Executive Chairman
Chua Cheow Khoon Michael	Lead Independent Director
Azman Hisham bin Jaafar	Independent Director
Huang Chuan	Independent Director
Tay Hun Kiat	Independent Director

Under the Articles of the Company, the Board must comprise a minimum of two members. However, the Articles of the Company do not impose any limit on the maximum number of Directors the Company may appoint. The composition of the Board is also reviewed on an annual basis by the NCGC to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision making.

Pursuant to its review for FY2013, the NCGC is of the view that the current Board size of five Directors is appropriate and effective, taking into account the scope and nature of the Company's current operations. The NCGC further believes that the current Board comprises persons who as a group provide core competencies necessary to meet the Company's objectives.

The Board considers an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs with a view to the best interests of the Company. The Board and the NCGC is of the opinion that the Independent Directors satisfy the criteria. As more than half of the Board is made up of Independent Directors, the Board and the NCGC are also of the view that the Board shall be able to exercise independent judgement on corporate affairs and no one individual or group(s) of individuals dominates any decision-making process.

Key information on each Director is set on pages 3 to 5 of the Annual Report.

The Board has no dissenting view on the Chairman's statement for the year under review.

Access to Information & Accountability

Principle 6: Board members to have complete, adequate and timely information

Principle 10: Board to present a balanced and understandable assessment of the Company's performance, position and prospects.

Changes to regulations and accounting standards are monitored closely by the management of the Company. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, Directors are briefed either during board meetings or at specially-convened sessions conducted by professionals. Information relating to such regulatory changes is also circulated to the Board via email for their attention. Newly appointed Directors will be briefed by the Chairman and Executive Director(s) on the business activities of the Group and its strategic directions.

CORPORATE GOVERNANCE

Access to Information & Accountability (cont'd)

In order to ensure that the Board is able to fulfil its responsibilities prior to the board meetings, the management provides the members of the Board with management accounts, as well as relevant background information and documents relating to items of business to be discussed at a board meeting, such as copies of disclosure documents, budgets, forecasts and monthly internal financial statements, before the scheduled meeting. Key information relating to the Group's operations and finances are also circulated to the Board via email to update them such that the Directors may monitor the Group's performance as well as the management's fulfilment of goals and objectives set by the Board.

The Directors are also regularly briefed by the management of the Company on the business activities of the Group and its strategic directions as well as its corporate practices.

The Directors have separate and independent access to the management of the Company, including the Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and Company Secretary of the Group. The Company Secretary attends all meetings of the Board and Board Committee and prepares the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be. The Company Secretary also ensures that the procedures for such meetings are in accordance with the Articles and all applicable rules and regulations (including the requirements of the Singapore Companies Act, Cap. 50 and the Catalist Rules) are complied with. Further to the above, the Company Secretary helps to facilitate communications within the Board and its Board Committees and between management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company allows Directors to take independent professional advice on matters affecting the Group, and such cost will be borne by the Company. Further to the above, Directors have, at all times, unrestricted access to the Company's records and information.

The Group has also adopted the Ethics which sets out the principles and guidelines relating to, amongst other things, conflict of interest, transactions with suppliers and customers, transactions with related persons, confidentiality and insider trading.

One of the Board's principal duties is to protect and enhance the long-term value and returns to the Company's shareholders. This accountability to shareholders is demonstrated through the provision of quarterly announcements on the financial results of the Group as well as timely announcements or news releases of significant corporate developments and activities of the Group such that shareholders will have information to evaluate and assess of the Group financial position and prospects.

The Group's financial results for the first three financial quarters are released to shareholders within 45 days from the end of the respective financial quarter. The Group's full year financial results had been granted approval from SGX for the extension of the released up to 15 April 2014. The announcement of the extension and approval from SGX was released via SGXNET on 28 February 2014 and 11 March 2014. The quarterly financial statements are also signed by two Directors to confirm that it is to the Board's knowledge that nothing has come to the attention of the Board which may render the unaudited interim financial results contained in that announcement to be false or misleading in material aspects.

The company announced various significant corporate developments during the year including entering into a Memorandum of Understanding ("MOU") in relation to the proposed very substantial acquisition of Trechance Holdings Limited and entering into an equity transfer agreement and deed of novation, divestment of Yess Le Green Pte. Ltd. ("YLG") and West Themes Pte. Ltd. ("WT"), divestment to Imagine Un Limited which were completed in FY 2013.

Further to the above, the Company also completes and submits compliance checklists to its Sponsor (if applicable and when required) to ensure that all announcements, circulars or letters to our shareholders comply with the minimum requirements set out in the Catalist Rules.

CORPORATE GOVERNANCE

Executive Chairman, Executive Director and CEO

Principle 3: Clear division of responsibilities at the top of the Company

As at the date of this Report, the Company has an Executive Chairman, the CEO and, four Independent Directors. There is clear division of responsibilities between the Executive Chairman and the CEO who are not related to each other.

The responsibilities of the Executive Chairman include the following:

a) leads the Board to ensure its effectiveness on all aspects of its role and set its agenda;

b) Ensures that the Directors receive accurate, timely and clear information;

c) critique key proposals by management before they are presented to the Board for decision;

d) ensures effective communication with shareholders;

e) encourages constructive relations between the Board and management;

f) facilitates the effective contribution of Non-executive / Independent Directors;

g) encourages constructive relations between Executive Director and Non-executive / Independent Directors; and

h) promotes high standards of corporate governance.

The Executive Chairman plays a key role in the development and maintenance of strategic relations with the Company's business partners. In addition, he provides close oversight, guidance, advice and leadership to the CEO and management.

The CEO is engaged in the overall management of the Group. The CEO's responsibilities pertaining to the Board include the following:

a) schedules meetings that enable the Board to perform its duties responsibly;

b) prepares meeting agenda in consultation with the Executive Chairman;

c) ensures quality, quantity and timeliness of the flow of information between management and the Board; and

d) assists in ensuring compliance with Company's guidelines on corporate governance.

The CEO manages the business of the Company, implements the Board's decisions and monitors the translation of the Board's decisions into executive action. He reviews and approves the agendas for the board meetings. He exercises control over the quality, quantity and timeliness of information flow between the Board and management.

In view of the above, the Board is of the view that the roles of Executive Chairman and the CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

CORPORATE GOVERNANCE

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

Nominations

Principle 4: Formal and transparent process for appointment of new Directors and requirement for re-nomination and re-election of Directors

The NCGC comprises the following members:

Tay Hun Kiat (Chairman)	Independent Director
Chua Cheow Khoon Michael	Lead Independent Director
Huang Chuan	Independent Director
Azman Hisham Bin Jaafar	Independent Director

The NCGC meets regularly twice each year in accordance with its Charter and at other times as required. The NCGC performs a dual function as set out in its Charter. It provides assistance to the Board of Directors in the selection and assessment of Directors, and it has oversight of the Group's corporate governance practices.

The responsibilities of NCGC in relation to Board appointments include the following:

a) recommends to the Board the appropriate structure, size and composition of the Board, taking into account the size and needs of the Group, and the skill mix, qualities and experience required of Directors to advance the business interests of the Group and to promote long-term shareholder value;

b) recommends to the Board the size and composition of Board Committees to function competently and effectively;

c) considers the suitability of nominees for appointment as new Directors, having regard to their background, potential contribution to the Group based on their experience and expertise, and ability to exercise independent business judgment;

d) considers the suitability of Directors for re-nomination, having regard to their past contribution and performance, including attendance and participation at meetings;

e) assesses, on an annual basis, the independence of the Directors;

f) evaluates, on an annual basis, the performance of each individual Director, the performance of each Board Committee and the performance of the Board as a whole;

g) recommends to the Board the termination of membership of individual Directors in accordance with corporate policy for cause or other appropriate reasons; and

h) reviews and recommends to the Board other policies related to the Board from time to time.

In the event there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NCGC will review the change to be implemented and make recommendations to the Board accordingly. For the new appointment of Directors, the NCGC will, in consultation with the Board, examine the existing Board's strength, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. The NCGC will take into account the future needs of the Group and together with the Board, it will seek candidates who are able to contribute to the Group. The NCGC seeks candidates widely and beyond persons directly known to the existing Directors. The NCGC recommends suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment shall be released via SGXNET. In the event of cessation of appointment of any director or executive officer, the NCGC will conduct exit interviews with such director or executive officer, as the case may be, and announcements relating to such cessation will also be released via SGXNET.

Nominations (cont'd)

The dates of initial appointment and last re-election of each Director are set out as follows:

Name of Directors	Appointment	Date of Initial Appointment	Date of last re-election/ re-appointment
In Nany Sing Charlie (Dr) [1]	Executive Chairman	30 April 2010	10 April 2013
Chua Cheow Khoon Michael [2]	Lead Independent Director	19 December 2011	10 April 2013
Azman Hisham Bin Jaafar	Independent Director	20 January 2012	10 April 2013
Huang Chuan	Independent Director	1 October 2012	10 April 2013
Tay Hun Kiat	Independent Director	15 April 2014	N.A.

Notes:

1 On 1 January 2013, Dr In Nany Sing Charlie, Executive Director of the Company, was re-designated as Executive Chairman.

2 On 20 January 2012, Chua Cheow Khoon Michael, Independent Director of the Company, was re-designated as Lead Independent Director.

The NCGC also reviews the composition of the Board and the independence of each Director annually. To determine the independence of the Independent Directors, the NCGC reviews disclosures/declarations made by Mr Azman Hisham Bin Jaafar, Mr Chua Cheow Khoon Michael, Mr Huang Chuan and Mr Tay Hun Kiat. The forms for these disclosures/ declarations are drawn up based on the guidelines in the Code. Pursuant to its review, the NCGC is of the view that Mr Azman, Mr Chua, Mr Huang and Mr Tay are deemed to be independent of the Group and its management.

The NCGC has in place internal guidelines to address the conflict of competing time commitments of Directors serving on multiple boards. If a Director is on the board of other companies, the NCGC shall consider whether adequate time and attention have been devoted to the affairs of the Company. In the event there are sufficient grounds for complaint, the Chairman of the Board will discuss, and if necessary, advise the Director of the issues and the consequences of failure to rectify the situation within the period required.

The current board members generally have not more than three directorships in other listed companies, which, in the opinion of the NCGC, means that they have sufficient energy and time to focus on the management of the Company. As such, the NCGC has not set a limit on directors' directorships in other listed companies. The NCGC will however set limits on its directors' directorships if the directors subsequently are appointed to more than three directorships. After conducting reviews, the NCGC is satisfied that the Directors have been able to devote adequate time and attention to the affairs of the Company and that they are able to satisfy their duties as directors to the Company.

After conducting reviews, the NCGC is satisfied that the Directors have been able to devote adequate time and attention to the affairs of the Company and that they are able to satisfy their duties as directors to the Company.

In its selection and appointment of new Directors, the NCGC receives recommendations from existing Directors and the Company's professional advisors. At least two members of the NCGC will conduct interviews with the potential new Director before recommending their appointments to the Board for approval.

The NCGC also recommends all appointments and re-nominations of Directors to the Board. Article 87 of the Company's Articles provides *inter alia* and subject to the other provisions in the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or multiples of three, then the number nearest one-third (rounded upwards where necessary) shall retire from office at least once every three years by rotation from the date of his appointment or last re-election but shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Nominations (cont'd)

Pursuant to Article 94 of the Company's Articles, any Director appointed within a financial year shall hold office only until the next annual general meeting, but shall then be eligible for re-election and shall not be taken into account in determining the Directors who are to retire by rotation pursuant to Article 87 of the Company's Articles, at that meeting.

Based on the above:

(a) Mr Azman Hisham Bin Jaafar and Mr Chua Cheow Khoon Michael are required to retire pursuant to Article 87 of the Company's Articles at the forthcoming Annual General Meeting; and

(b) Mr Tay Hun Kiat will be seeking re-election pursuant to Article 94 of the Company's Articles at the forthcoming Annual General Meeting.

It be noted that Mr Azman, Mr Chua and Mr Tay have all given their consent to stand for re-election as Directors of the Company at the forthcoming Annual General Meeting. The NCGC and the Board have recommended (a) Mr Azman Hisham Bin Jaafar and Mr Chua Cheow Khoon Michael who shall be retiring pursuant to Article 87 of the Company's Articles of Association and (b) Mr Tay Hun Kiat who shall be retiring pursuant to Article 94 of the Company's Articles of Association at the forthcoming AGM, to be re-elected.

Consistent with the spirit of the Articles, the NCGC has also determined that commencing from January 2004, members of Board Committees shall assume the chairmanship by rotation, and the term of office as Chairman shall not exceed five consecutive years. The Board Committees were last re-constituted at a later date 15 April 2014 following the appointment of Mr Tay Hun Kiat.

Principle 5: Formal assessment of the effectiveness of the Board and contributions of each Director

In addition to the above, the NCGC is also responsible for adopting and implementing corporate governance measures to achieve good stewardship of the Company. In this respect, its responsibilities include:

a) proposes objective performance criteria which incorporates qualitative and quantitative factors to evaluate on an annual basis the performance of the Board as a whole and that of each Director (other than Executive Director, who is evaluated by the RC);

b) implements appropriate programmes for orientation and training of new Directors, and to update the Board on relevant new laws, and regulations and changing commercial risks, from time to time;

c) advises the Board on corporate governance issues, generally where they are not covered by other Board Committees, including without limitation shareholders' issues; and

d) performs other functions assigned by law, the Company's Memorandum and Articles of Association or by the Board from time to time.

In assessing the performance of the Directors in fulfilling their duties, the NCGC takes into account, amongst other factors, the Director's qualification in relation to general commercial knowledge, specific industry experience, political and social knowledge of the countries the Group operates in, attendance at Board or Board Committee meetings in person or via teleconference, availability at all reasonable times and participation at Board and Board Committee meetings, quality of interventions or difference of opinion expressed and special contributions. The NCGC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors.

Nominations (cont'd)

The NCGC has established an appraisal process to assess the performance and effectiveness of the Board as a whole. For this purpose, the NCGC has developed a checklist to assist in its assessment of the Board's effectiveness at least once every year. Feedback and comments received from the Directors are reviewed by the NCGC. In its assessment, the NCGC takes into consideration the frequency of the Board meetings, board independence, the rate at which issues raised are adequately dealt with, the effectiveness of the Board Committees, and reports from the various committees. Given the relatively small size of the Board, the Board and the NCGC are of the opinion that there is no need at present to conduct a separate formal assessment of the Board Committees other than the assessments being carried out in respect of individual Directors and the Board.

With respect to FY2013, after evaluation, the NCGC considered the performance of each individual Director, each Board Committee (other than itself), and the Board as a whole, to be satisfactory. The Board as a whole considered the performance of the NCGC to be satisfactory. For avoidance of doubt, each member of the NCGC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Informal reviews of each individual Board member's performance are undertaken on a continuous basis by the NCGC with input from the other Board members. Renewal or replacement of Directors do not necessarily reflect their contribution to date; it may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

REMUNERATION COMMITTEE

Principle 7: Formal and transparent procedure for fixing remuneration packages of Directors and key management executives

Principle 8: Level and structure of remuneration of Directors and key management executives should be aligned with the long-term interest and risk policies of the Company and should be adequate, not excessive and linked to performance.

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration and procedure for setting remuneration

The RC of the Board comprises the following members:

Azman Hisham Bin Jaafar (Chairman)	Independent Director
Chua Cheow Khoon Michael	Lead Independent Director
Huang Chuan	Independent Director
Tay Hun Kiat	Independent Director

The RC is governed by its own Charter. The primary function of the RC is to advise the Board on compensation issues generally, and in particular, in relation to Directors and key management, bearing in mind that a meaningful portion of management's compensation should be contingent upon financial performance in order to foster the creation of long-term shareholder value.

Its responsibilities include the following:

a) advises the Board of Directors on compensation theory and practice, as well as best practice with regard to non-cash compensation and trends;

b) reviews management's appraisal on current market situation as it relates to compensation and management's recommendation of the overall aggregate adjustments to be made at the next annual review of compensation for all staff, management and Directors, including stock options and other equity incentive schemes;

c) recommends to the Board compensation packages for Executive Directors, Non-executive Directors, CEO and the CFO;

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration and procedure for setting remuneration (cont'd)

d) determines the allocation of share options and other equity incentives, if any, to Directors, management and staff;

e) reviews and assesses performance of management and adopt appropriate measures to assess performance; and

f) ensures that appropriate structures for management succession and career development are adopted.

The RC meets two times each year and at other times as required, in accordance with its Charter.

The management, together with the RC, recommends the compensation for Non-executive Director(s) and Independent Directors, taking into account factors such as time spent and responsibilities of the Directors, the current market circumstances and the need to attract directors of experience and standing. The Directors' fees were compared against a reference benchmark to ensure that they are in line with market norms. As the members of the RC do not participate in any decision concerning their own remuneration, the Board accepts the management's recommendation. Payment of Directors' fees is subject to shareholders' approval at the Annual General Meeting. The RC and the Board are of the view that the compensation of Non-executive Directors is adequate and not excessive.

The RC administers the CSH Employee Share Option Scheme (previously known as CTL Employee Share Option Scheme and which was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009). The performance related elements of remuneration are designed to align interest of Directors, management and staff with those of shareholders and link rewards to corporate and individual performance. Details of CSH Employee Share Option including awards made are found in the Report of Directors as well as the Company's Circular to shareholders dated 29 July 2009 which may found on SGXNET.

Non-executive Directors receive basic directors' fees and additional fees for serving as a Board Committee Chairman. Executive Directors do not receive Directors' fees. Long term incentive scheme for Executive Directors, management and staff includes share options.

Directors' fees of S$360,000 for the financial year ending 31 December 2014 and directors' fees of up to S$500,000 for the financial year ending 31 December 2015, which are to be paid quarterly in arrears, are recommended to the shareholders for approval at the forthcoming AGM. The actual directors' fees paid out will be disclosed in the Company's Annual Report for the relevant financial year.

The management, together with the RC, determines and recommend to the Board the compensation package of Executive Directors, taking into account experience, knowledge and the existing circumstances in the employment market.

With regard to the remuneration of other key management executives, the RC, together with the management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management executives is guided by the National Wage Council guidelines, and also takes into consideration the Company's performance, the responsibility and performance of individual key management executives. The latter is measured by goals and objectives set for each key management executive in congruence with the Company's overall goals and objectives. None of the employees in the company or any of its principal subsidiaries whose remuneration exceed S$150,000 during the year is a relative of a Director or substantial shareholder of the Company or any of its principal subsidiaries.

The Executive Directors have service contracts which include terms for termination under appropriate notice.

The Board is of the view that it is not necessary to present its remuneration policy before shareholders for approval at the AGM.

Details of the share option scheme are set out in the Report of the Directors.

Details of the Directors and key management executives' remuneration for FY2013 are set out on the next page. Disclosure of the Directors' remuneration is also made in Note 17 of the financial statements.

CORPORATE GOVERNANCE

Directors' Remuneration

	Fees %	Salary %	Bonus %	Other Remuneration* %	Other Benefits** %	Total %
Executive Directors *Between S$250,000 to S$300,000*						
In Nany Sing Charlie (Dr)[1]	-	83.07	13.84	-	3.09	100
Between S$200,000 to S$249,999						
Peng Weile Leo [2]	-	56.18	9.36	28.09	6.37	100
Between S$100,000 to S$199,999						
Yin Zhenwei, Joyce [3]	-	78.31	12.91	-	8.78	100
Non-executive Directors *Between S$100,000 to S$199,999*						
Chua Cheow Khoon Michael [4]	100	-	-	-	-	100
Azman Hisham Bin Jaafar [5]	100	-	-	-	-	100
Below S$100,000						
Huang Chuan [6]	100	-	-	-	-	100
Zhao Yanshi [7]	100	-	-	-	-	100

Notes:

* Other Remuneration includes shares granted as remuneration.

** Other Benefits include granting of Share Options under the CSH Employee Share Option Scheme, benefits in kind and employer's contribution to Central Provident Fund.

1. Executive Director until 31 December 2012; Re-designated to Executive Chairman on 1 January 2013.

2. Appointed as Non-executive Director on 20 January 2012; Re-designated to Executive Director on 1 January 2013; Resigned as Director of Company on 31 December 2013.

3. Daughter of the Company's Executive Chairman, Dr In Nany Sing Charlie. Appointed as Executive Director on 8 May 2013. Resigned on 31 March 2014.

4. Appointed as Independent Director on 19 December 2011; Re-designated to Lead Independent Director on 20 January 2012. His total remuneration for FY2013 as the Lead Independent Director amounts to S$110,000.

5. Appointed as Independent Director on 20 January 2012. His total remuneration for FY2013 as an Independent Director amounts to S$100,000.

6. Appointed as Independent Director on 1 October 2012. His total remuneration for FY2013 as an Independent Director amounts to S$83,333.

7. Appointed as Non-executive Director on 20 January 2012; Resigned as Director of Company on 31 December 2013.

CORPORATE GOVERNANCE

Key Management Executives' Remuneration

Between S$400,000 to S$499,999	Salary %	Bonus %	Other Remuneration* %	Other Benefits** %	Total %
Soh Chun Bin (CEO)	58.06	-	40.02	1.92	100
Below S$100,000					
Lim Li Peng (Senior Finance Manager) [2]	89.46	-	-	10.54	100
Chng Kang Hai (Financial Controller) [3]	76.62	12.98	-	10.40	100

Notes:

* Other Remuneration includes shares granted as remuneration.

** Other Benefits include granting of Share Options under the CSH Employee Share Option Scheme,

benefits in kind and employer's contribution to Central Provident Fund.

1. Joined on 20 February 2014.
2. Resigned on 25 October 2013.
3. Joined on 18 November 2013.

The total remuneration paid to the abovesaid top key management personnel (who are not directors or CEO) is S$232,000. The Company however is not disclosing breakdown of the remuneration of the top executives of the Group in this Annual Report due to confidentiality reasons and to avoid poaching of the Company's staff.

For the purpose of rule 704 (10) of the Catalist Rules, the Company hereby confirm that it has no persons occupying managerial positions who are related to any Director, Chief Executive Officer or Substantial Shareholders of the Group.

The Company is not disclosing the remuneration of the Executive Directors and the CEO to the nearest thousand but in bands of S$100,000 as it wishes to keep such information confidential for commercial reasons and to prevent poaching of the Executive Directors and the CEO.

AUDIT COMMITTEE

Principle 12: Establishment of Audit Committee with written terms of reference

To ensure that corporate governance is effectively practiced, the Directors have established self-regulatory and monitoring mechanisms, including the establishment of the AC, which comprises the following members:

Chua Cheow Khoon Michael (Chairman)	Lead Independent Director
Azman Hisham Bin Jaafar	Independent Director
Huang Chuan	Independent Director
Tay Hun Kiat	Independent Director

The Company has adopted the Code in relation to the roles and responsibilities of the AC. The Charter provides for a minimum of four meetings a year, and at such other times as required.

Principle 12: Establishment of Audit Committee with written terms of reference (cont'd)

The AC's primary function is to provide assistance to the Board of Directors in fulfilling its responsibilities relating to corporate accounting and auditing reporting practices of the Company, the quality and integrity of the financial reports of the Company and the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics established by the management and the Board.

The responsibilities of the AC include the following:

a) recommending the appointment or discharge of external auditors (subject to shareholders' approval) and in this connection, consider the independence and objectivity of the external auditors, review and recommend to the Board the compensation of the external auditors, review the scope and results of the audit and its cost effectiveness. Where the auditors also supply a substantial volume of non-audit services to the Company, review the nature and extent of such services, with the objective of balancing the maintenance of auditors' objectivity against cost effectiveness;

b) considering, in consultation with the external auditors, the audit scope and plan of external auditors on the coverage and effective use of audit resources;

c) reviewing with the external auditors, their audit reports;

d) reviewing the assistance given by the Company's officers to the external auditors;

e) reviewing the quarterly announcements and annual financial statements;

f) reviewing and assessing management processes, including but not limited to strategic planning, operations, performance measurement and reporting, to resist over-ambitious and unethical behaviour;

g) inquiring from management and external auditors about significant risks or exposures, and assess steps taken by management to minimise or control Company's exposure to such risks;

h) considering and reviewing with the external auditors at least annually the adequacy, effectiveness and efficiency of management process, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto;

i) maintaining free and open communication between Directors, external auditors and management;

j) meeting with the external auditors, management and any others considered appropriate in separate executive sessions to discuss any matters that the AC believes should be discussed privately and establish a practice to meet with the external auditors without the presence of management at least annually; and

k) reviewing all non-audit services provided by the Group's external auditors, Foo Kon Tan Grant Thornton LLP, if any.

The AC has in place a "Whistle Blowing" arrangement by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow up action. Copies of the "Whistle Blowing" policy have been circulated to the employees and are also available at the Company's registered office.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast of the changes to accounting standards and issues which have a direct impact on financial statements via briefing by its external auditors during the AC meetings.

Principle 12: Establishment of Audit Committee with written terms of reference (cont'd)

Foo Kon Tan Grant Thornton LLP is an audit firm registered with the Singapore Accounting & Corporate Regulatory Authority and its appointment as the Company's external auditors was approved by the Company's shareholders at the Extraordinary General Meeting held on 21 August 2009. The AC noted that Foo Kon Tan Grant Thornton LLP did not provide non-audit services to the Company in the financial year ended 31 December 2013. In accordance with Rule 1204(6) of the Catalist Rules, the audit fees paid to Foo Kon Tan Grant Thornton LLP for their audit services in FY2013 are S$250,000 (excluding disbursements and GST).

Foo Kon Tan Grant Thornton LLP was also appointed in the period from 1 October 2011 to 31 December 2012 to audit the accounts of the Company, its subsidiaries and its significant associated companies. The Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The AC reviewed the independence and objectivity of the external auditors as required under Section 206(1A) of the Companies Act and determined that the external auditors were independent in carrying out their audit of the financial statements. The AC has also reviewed the scope and quality of the external auditors' work before recommending the external auditors to the Board for re-appointment. After taking into account that the resources and experience of Foo Kon Tan Grant Thornton LLP and the audit engagement partner assigned to the audit, Foo Kon Tan Grant Thornton LLP's other audit engagement, the size and complexity of the audit for the Group as well as the number and experience of the staff assigned by Foo Kon Tan Grant Thornton LLP for the audit, the AC is of the view that Foo Kon Tan Grant Thornton LLP is able to meet its audit obligations. Together with the Board, the AC recommends the re-appointment of Foo Kon Tan Grant Thornton LLP at the forthcoming Annual General Meeting.

The AC has full access to the external auditors without the presence of management and is authorized to have full and unrestricted access to management and all personnel, records, operations, properties and other informational sources of the Company as required or desirable to properly discharge its responsibilities. The AC has full discretion to invite any Director or executive officer to its meetings and has the authority to conduct or authorize investigations into any matters within its scope of responsibilities.

Internal Controls & Internal Audit

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Risk Management and Internal Control

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensure the maintenance of a system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instills the right risk focused culture throughout the Group for effective risk governance.

Pursuant to the Code of Corporate governance set out in the 2012 Code of Corporate Governance which was effective from financial year commencing on or after 1 November 2012, specifically in relation to Guidance 11.1, the Board has taken steps to engage Yang Lee & Associates ("YLA"), a professional service firm to setup the Group's risk management policy and to perform an Enterprise Risk Assessment exercise. The risk management policy will be aligned to ISO 31000: 2009, the international standards on Enterprise Risk Management ("ERM") with the objectives of meeting the compliance in the design, implementation and monitoring of the ERM and internal control systems in place.

Risk Management and Internal Control (cont'd)

The AC and Management also review the Group's operational activities on an on-going basis to identify areas of material risks. The AC together with Management and the internal and external auditors will table all control issues and review the appropriate measures being recommended to mitigate areas of weaknesses highlighted to the Board during its quarterly meetings.

The Board has obtained a written confirmation from the CEO and CFO that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the internal controls established and maintained are adequate in addressing the operational, financial and compliance risks faced by the Group.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate and effective as at 31 December 2013.

In arriving at the opinion, the Board is of the view that the internal controls of the Group have reasonable assurance about achieving the objectives set out below having evaluated the effectiveness of the Group's internal controls as at the end of the financial year and approved the report and the conclusion to the Audit Committee.

The Board acknowledges that it is responsible for the overall internal control framework but also recognises that all internal control systems contain inherent limitations and that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against mis-statement or loss. The AC reviews regularly the effectiveness of the Group's internal controls, including but not limited to financial, operational and compliance controls. In particular, the Group has adopted the Ethics as well as a "Whistle Blowing" policy to ensure that there is no irregularity in the Company's business dealings and there is a system of integrity and reliability.

Whilst the Company recognizes the importance of having a system of internal controls designed to provide reasonable assurance that assets are safeguarded and financial reporting is reliable, the Board recognizes that no internal control system could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud and other irregularities. The system is designed to manage rather than eliminate risk of failure to achieve of the business objectives.

YLA will be conducting an internal audit as well as and to assist in enterprise risk management of the Group to determine whether the Group's checks and balances and controls are adequate. YLA will report directly to the Audit Committee and would provide reports to Audit Committee on a timely basis.

At present, the Board relies on external audit reports and management letter prepared by the external auditors on any material non-compliance or internal control weaknesses. There were no major internal control weaknesses highlighted by the external auditors for the attention of Audit Committee for FY2013. Going forward, the Board would be able to, in addition to the aforesaid, rely on YLA's internal audit findings and enterprise risk management report to better determine whether the Group's checks and balances and controls are adequate.

The Group's external auditors, Foo Kon Tan Grant Thornton LLP, contribute an independent perspective on relevant internal controls arising from their audit and report their findings to the AC. The AC is satisfied that the independence of the external auditors is not compromised by any other material relationship with the Company and there are adequate internal controls in the Group including financial, operational and compliance controls, and risk management systems.

Risk Management and Internal Control (cont'd)

The Board has also received assurance from the CEO and the CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) regarding the effectiveness of the Company's risk management and internal controls system.

Taking into account of the Company's corporate structure and scope of operations and based on the internal controls established and maintained by the Group, work performed by the external auditors, and reviews performed by management, the AC and the Board, the Board with the concurrence of the AC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate as at 31 December 2013.

The Audit Committee will continue to review and monitor the Company's internal controls and risk management practices, taking into consideration the risks which the Group is exposed to, the likelihood of occurrence of such risks and the costs of implementing controls.

KEY OPERATIONAL RISKS

The Board is aware of the risk profiles which may adversely affect the Company's financial performance, financial position and cash flows in the event that any of these risk factor uncertainties develops into actual events. The Board thinks that the following risks could specifically affect the Company (Please note that this is a non-exhaustive risk):

Risk of business integration and continuity on land development: The Company's Management will face new challenges in integrating the business and the employees of the Trechance Group into the Group. As such, to ease the integration and ensure continuity of management, key employees of Trechance Group have entered into a new employment contracts. The development of land in the PRC through the Trechance Group will involve risks, including requiring a significant capital outlay for construction costs, compliance with PRC regulations, engaging third party contractors and other professionals.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholders should be treated fairly and equitably

Principle 15: Regular, effective and fair communication with shareholders

Principle 16: Shareholders participation at AGM

Information is communicated to shareholders on a timely basis. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable. Communication is made through:

- annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual reports include all relevant information about the Group, including future developments and other disclosures required under the Catalist Rules and the relevant accounting standards;

- quarterly financial statements containing a summary of the financial information and affairs of the Group for the period;

- notices of and explanatory memoranda for annual general meetings and extraordinary general meetings ("**Notices**");

Principle 16: Shareholders participation at AGM (cont'd)

- replies to email queries from shareholders;
- disclosures to the SGX-ST and the shareholders by releasing announcements via SGXNET; and
- circulars or letters to shareholders to provide the shareholders with more information on its major transactions.

The Notices are advertised in the press and published via SGXNET. The results of all general meetings are also published via SGXNET. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at all general meetings of the Company by proxies. Proxy forms can be sent to the Company's Share Registrar by mail. At all general meetings, each distinct issue is voted via a separate resolution.

The Board regards the general meetings as opportunities to communicate directly with the shareholders and encourages greater shareholder participation.As such, the shareholders are encouraged to attend general meetings of the Company to grasp a better understanding of the Group's businesses and be informed of the Group's strategic goals and objectives. Notices of general meetings are dispatched to the shareholders at least 14 days before the meeting if ordinary businesses are to be transacted at the meeting or at least 21 days before the meeting if special businesses are to be transacted at the meeting.

General meetings of the Company will be chaired by the Chairman and are also attended by other Directors, the management, the Company Secretary and if necessary, the external auditors. At all general meetings, shareholders are given the opportunity to air their views and to ask the Chairman, the individual Directors and the Chairmen of Board Committees questions regarding the Company. The external auditors are also present to assist the Board in answering the relevant shareholders' queries. The Company also will be putting all resolutions to be decided in its AGM to vote by poll in accordance with the recommendation made by the Code.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. As the Group has only just entered into the property development business in China and is still on the lookout for suitable acquisition targets and/or real estate projects or investments, the Company will not be paying any dividends for FY2013 after taking into consideration the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition and development plans.

Shareholders and the public can access information on the Group website at: www.cedarstrategic.com

INTERNAL COMPLIANCE CODE ON DEALINGS IN COMPANY'S SECURITIES

The Company has its own internal compliance code to provide guidance for both itself, and Directors and employees including employees with access to price-sensitive information on the Company's shares) on dealings in the Company's securities, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204 (19) of the Catalist Rules, the Company issues a directive informing the Directors and employees that they are not allowed to deal in the Company's shares during the period commencing two weeks before the date of results announcement for each of the first three quarters of the Company's financial year and one month before the date of announcement of the annual results. These trading restrictions end on the date of the results announcement. Additionally, both Directors and employees are prohibited from dealing in securities of the Company while in possession of price-sensitive information. They are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the AC and the Board to monitor such share transactions and make the necessary announcements.

An officer of the Company should not deal in the Company's securities on short-term considerations.

The Board confirms that for FY2013, the Company has complied with Rule 1204(19) of the Catalist Rules.

CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS
(Catalist Rule 907)

The Group has established procedures to ensure that all transactions with interested persons are properly documented and reported on a timely manner to the AC on a quarterly basis and that the transactions are conducted on an arm's length basis and are not prejudicial to the interest of the shareholders in accordance with the internal controls set up by the Company on interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

There was no interested person transaction during the financial year under review.

MATERIAL CONTRACTS
(Catalist Rule 1204(8))

There were no material contracts of the Company or its subsidiaries involving the interest of any director or controlling shareholders subsisting at the end of FY2013 or if not then subsisting, entered into since the end of the previous financial year.

RISK MANAGEMENT
(Catalist Rule 1204(4)(b)(iv))

The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The management reviews all the significant control policies and procedures and highlight all significant findings to the Directors and the Audit Committee.

NON-SPONSOR FEES
(Catalist Rule 1204(21))

No non-sponsor fees were paid to Stamford Corporate Services Pte Ltd for FY2013. However, an amount of approximately RMB455,677 (S$91,667) was paid to Stamford Law Corporation, an affiliate of Stamford Corporate Services Pte Ltd for legal fees and expenses for FY2013.

CORPORATE GOVERNANCE

USE OF PROCEEDS
(Catalist Rule 1204(22))

Pursuant to the renounceable non-underwritten rights issue undertaken by the Company in September 2013 whereby the Company offered up to 3,066,506,005 rights shares ("Rights Shares") at an issue price of S$0.005 per Rights Share on the basis of one "Rights Shares" for every two existing ordinary Shares held by Shareholders (the "Rights Issue"), the Company issued 1,059,570,002 Rights Shares at S$0.005 per Rights Share on 22 November 2013. Out of the gross proceeds of S$5.30 million raised, the unutilized balance as at 31 December 2013 was S$4.55 million. The details of the proceeds utilized as at 31 December 2013 are as follows:

Intended Use	Amount Allocated	Amount Utilised
	(S$ million)	(S$ million)
Real estate development and/or investment in real estate assets	Up to S$3.46	S$0.615
Working capital purposes	Up to S$1.49	-
Rights Issue expenses	S$0.35	S$0.135
Actual (Gross Proceeds/Total Utilised)	S$5.30	S$0.750

The Company confirms that the use of proceeds arising under the Rights Issue is in accordance with the stated use and is in accordance with the percentage allocated in the announcement dated 27 September 2013 which was released by the Company in connection with the Rights Issue.

EMPLOYEE SHARE OPTION SCHEME
(Catalist Rule 1204(16))

On 21 August 2009, shareholders approved the CSH Employee Share Option Scheme (previously known as CTL Employee Share Option Scheme). Information on the scheme can be found on page 72 of the Annual Report.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For the financial year ended 31 December 2013

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2013.

Names of directors

The directors of the Company in office at the date of this report are:

Dr In Nany Sing Charlie (Executive Chairman)
Chua Cheow Khoon Michael (Lead Independent Director)
Azman Hisham bin Jaafar (Independent Director)
Huang Chuan (Independent Director)
Tay Hun Kiat (Independent Director) (Appointed on 15/4/2014)

Arrangements to acquire shares, debentures, warrants or options

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year was interested in shares, debentures or warrants of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
	As at 1.1.2013	**As at 31.12.2013**	As at 1.1.2013	**As at 31.12.2013**
The Company - Cedar Strategic Holdings Ltd.				
Ordinary shares				
Zhao Yanshi	174,913,000	**174,913,000**	408,741,052	**208,741,052**

Mr Zhao Yanshi's deemed interest is held under Blessed Forever Ltd through Maybank Kim Eng Securities Pte. Ltd. as its nominee. Mr Zhao resigned as the non-executive director on 31 December 2013.

As at 21 January 2014, none of our directors hold any shares or are deemed to have an interest in shares.

According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme as set out below:

	As at 1.1.2013	**As at 31.12.2013 and 21.1.2014**
	Number of unissued ordinary shares under option	
Zhou Wei Jian	32,500,000	**-**
Dr In Nany Sing Charlie	45,000,000	**45,000,000**
Chua Cheow Khoon Michael	12,500,000	**12,500,000**
Azman Hisham Bin Jaafar	12,500,000	**12,500,000**
Zhao Yanshi	10,000,000	**-**
Peng Weile Leo	10,000,000	**-**

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 17 to the financial statements.

Share Option Scheme

At an Extraordinary General Meeting of the Company held on 21 August 2009, shareholders approved the Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) Employee Share Option Scheme (previously known as Jade Technologies Holdings Ltd. Employee Share Option Scheme) (the "Scheme"). The Scheme is administered by the Company's Remuneration Committee whose members are all independent directors of the Company. Under the Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and development of the Group. The Scheme aligns the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options may be granted pursuant to the Scheme, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Options granted to employees who, as of the date of grant, have been in the employment of the Group for a period of twelve months or more, may be exercised one year after the date of grant. Options which are granted to employees who have been in the employment of the Group for less than twelve months as of the date of grant may be exercised two years after the date of grant. Options which are granted to directors may be exercised one year after the date of grant.

Options granted to employees and non-executive directors expire after ten and five years from the date of grant respectively.

Irrespective of an employee's period of employment with the Group as of the date of grant, all options with exercise prices which represent a discount to the market price may be exercised two years after the date of grant.

If a variation in the issued share capital of the Company occurs (whether by way of a capitalisation of profits or reserves or a rights issue or the conversion of convertible loan stock or other debt securities or a reduction, subdivision or consolidation of shares), the subscription price in respect of shares comprised in an option to the extent unexercised, the class and/or number of shares comprised in an option to the extent unexercised or in respect of which additional options may be granted under the Scheme and the maximum entitlement in any financial period shall be adjusted in such a manner as the Remuneration Committee may determine to be appropriate.

Details of options granted to directors and employees under the Scheme are as follows:

	Options granted for period from 01.01.2013 to 31.12.2013	Aggregate options granted since commencement of the Scheme to 31.12.2013	Aggregate options forfeited/ lapsed since commencement of the Scheme to 31.12.2013	Aggregate options outstanding as at 31.12.2013
Directors				
Dr In Nany Sing Charlie	-	45,000,000	-	45,000,000
Chua Cheow Khoon Michael	-	12,500,000	-	12,500,000
Azman Hisham bin Jaafar	-	12,500,000	-	12,500,000
Former directors	-	78,500,000	(78,500,000)	-
Others				
Employees	-	127,000,000	(57,000,000)	70,000,000
	-	275,500,000	(135,500,000)	140,000,000

There have been no options granted to the directors, controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited) other than those disclosed above. No employee has received 5% or more of the total number of options available under the Scheme. No options were granted at a discount during the year from 1 January 2013 to 31 December 2013.

Unissued shares under option

The unissued shares of the Company under option at the end of the financial period are as follows:

Date of grant of options	Balance at 01.01.2013	Granted during the year ended 31.12.2013	Forfeited/ Lapsed during the year	Balance at 31.12.2013	Exercise price per share	Number of option holders at 31.12.2013	Exercise period
25.5.2010	10,000,000	-	-	10,000,000	S$0.02	1	25.5.2011 to 24.5.2015
25.5.2010	33,000,000	-	(30,000,000)	3,000,000	S$0.02	1	25.5.2012 to 24.5.2020
30.8.2012	187,500,000	-	(60,500,000)	127,000,000	S$0.004	6	30.8.2013 to 29.8.2022
	230,500,000	-	(90,500,000)	140,000,000			

There are no unissued shares of subsidiaries under option as at 31 December 2013.

Except as disclosed above, no shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company.

Warrants

As part of the purchase consideration to acquire 100% equity interests in West Themes Pte Ltd and Yess Le Green Pte. Ltd, the Company issued 250 million warrants, with each warrant carrying the right to subscribe for one share in the Company at an exercise price of S$0.008 on 5 February 2013.

The Group has previously issued 582.5 million warrants to Tian-An Pty Ltd in connection with the proposed acquisition of two properties located in Tasmania, Australia. During the financial year ended 31 December 2013, 582.5 million warrants were exercised and converted into ordinary shares in the capital of the Company.

On 15 November 2010, the Company undertook a renounceable non-underwritten rights shares and warrants issue on the basis of three rights shares for every four existing ordinary shares and one free detachable warrant for every three rights shares subscribed. 1,833,538,149 rights shares at an issue price of S$0.010 per share and 611,178,784 warrants with each carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.003 within the exercisable period of two periods from issuance were allotted and issued.

In the previous financial period from 1 October 2011 to 31 December 2012, 249,077,864 warrants (2011: 108,282,026 warrants) were exercised and converted into ordinary shares in the capital of the Company. The remaining 253,818,894 warrants have expired on 14 November 2012.

Except as mentioned above, no shares have been issued during the financial year by virtue of the exercise of warrants to take up unissued shares of the Company.

Audit Committee

The Audit Committee ("AC") comprises the following members:

Chua Cheow Khoon Michael (Chairman)
Azman Hisham bin Jaafar
Huang Chuan
Tay Hun Hiat

The AC performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance. The responsibilities of the AC include the following:

a) recommends the appointment or discharge of external auditors (subject to shareholders' approval) and in this connection, consider the independence and objectivity of the external auditors, review and recommend to the Board the compensation of the external auditors, review the scope and results of the audit and its cost effectiveness. Where the auditors also supply a substantial volume of non-audit services to the Company, review the nature and extent of such services, with the objective of balancing the maintenance of auditors' objectivity against cost effectiveness;

b) considers, in consultation with the external auditors, the audit scope and plan of external auditors on the coverage and effective use of audit resources;

c) reviews with the external auditors, their audit reports;

d) reviews the assistance given by the Company's officers to the external auditors;

e) reviews the quarterly announcements and annual financial statements;

f) reviews and assesses management processes, including but not limited to strategic planning, operations, performance measurement and reporting, to resist over-ambitious and unethical behaviour;

g) inquires from management and external auditors about significant risks or exposures, and assess steps taken by management to minimise or control the Company's exposure to such risks;

h) considers and reviews with external auditors at least annually the adequacy, effectiveness and efficiency of management process, internal financial systems and operating controls, including computerised information system control and security, compliance controls and risk management, and all other material controls, and any related significant findings and recommendations of the auditors, together with management's responses thereto;

i) maintains free and open communication between the directors, external auditors and management;

j) meets with the external auditors, management and any others considered appropriate in separate executive sessions to discuss any matters that the AC believes should be discussed privately and establishes a practice to meet with the external auditors without the presence of management at least annually; and

k) reviews all non-audit services provided by the external auditors, if any.

The AC has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The AC also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditor, Foo Kon Tan Grant Thornton LLP, be re-appointed as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Foo Kon Tan Grant Thornton LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

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DR IN NANY SING CHARLIE

....
CHUA CHEOW KHOON MICHAEL

20 May 2014

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2013

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

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DR IN NANY SING CHARLIE

....

CHUA CHEOW KHOON MICHAEL

20 May 2014

INDEPENDENT AUDITOR'S REPORT

to the members of Cedar Strategic Holdings Ltd.

Report on the financial statements

We have audited the accompanying financial statements of Cedar Strategic Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

<u>Management's responsibility for the financial statements</u>

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

<u>Auditor's responsibility</u>

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

<u>Opinion</u>

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to the recoverability of the outstanding amounts as disclosed in Notes 2(a) and 8 to the financial statements respectively.

Management is of the view that the amounts due from Talented Creation International Limited ("TCI") and Mr. Ji Yu Dong ("JYD") are recoverable as management has not completed its initial accounting for its business combination arising from the acquisition of Trechance Holdings Limited and its subsidiaries at the reporting date. Accordingly, management currently reports the amounts due from JYD amounting to RMB155.2 million on a provisional basis. Management will retrospectively adjust the provisional amounts recognised at the acquisition date during the 12 months measurement period to reflect the new information obtained about facts and circumstances that existed as of the acquisition date and if known, would have affected the measurement of the amounts due from JYD recognised as of that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan Grant Thornton LLP
Public Accountants and
Chartered Accountants

Singapore,
20 May 2014

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2013

	Note	The Group 31 December 2013 RMB'000	The Group 31 December 2012 RMB'000	The Company 31 December 2013 RMB'000	The Company 31 December 2012 RMB'000
ASSETS					
Non-Current					
Property, plant and equipment	3	**76,497**	38	**24**	38
Intangible assets	4	**2**	24	**2**	24
Subsidiaries	5	**-**	-	**22,500**	-
Trade and other receivables	8	**192,320**	-	**192,320**	-
		268,819	62	**214,846**	62
Current					
Development properties	6	**164,625**	-	**-**	-
Land for development	7	**4,257**	-	**-**	-
Trade and other receivables	8	**248,125**	2,576	**15,097**	2,576
Cash and cash equivalents	9	**34,421**	66,241	**22,004**	66,241
		451,428	68,817	**37,101**	68,817
Disposal group classified as held for sale	10	**-**	147,975	**-**	28,839
		451,428	216,792	**37,101**	97,656
Total assets		**720,247**	216,854	**251,947**	97,718
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	11	**462,913**	407,932	**462,913**	407,932
Reserves	12	**(229,469)**	(303,393)	**(236,651)**	(315,676)
		233,444	104,539	**226,262**	92,256
Non-controlling interests		**-**	13,013	**-**	-
Total equity		**233,444**	117,552	**226,262**	92,256
LIABILITIES					
Current					
Trade and other payables	13	**443,816**	5,462	**8,348**	5,462
Financial liability	14	**17,337**	-	**17,337**	-
Current tax payable		**25,650**	-	**-**	-
		486,803	5,462	**25,685**	5,462
Disposal group classified as held for sale	10	**-**	93,840	**-**	-
Total liabilities		**486,803**	99,302	**25,685**	5,462
Total equity and liabilities		**720,247**	216,854	**251,947**	97,718

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2013

	Note	**Year ended 31 December 2013 RMB'000**	Period from 1 October 2011 to 31 December 2012 RMB'000
Continuing operations			
Revenue	15	**61,133**	-
Cost of sales		**(43,826)**	-
Gross profit		**17,307**	-
Other income	16	**9,936**	261
Administrative expenses		**(34,050)**	(22,207)
Other operating expenses		**-**	(2,805)
Finance costs		**(151)**	-
Loss before taxation from continuing operations		**(6,958)**	(24,751)
Taxation	18	**(3,238)**	-
Loss after taxation from continuing operations		**(10,196)**	(24,751)
Profit/(Loss) from discontinued operations, net of tax	19	**86,264**	(34,846)
Profit/(Loss) for the year/period	17	**76,068**	(59,597)
Other comprehensive income after tax:			
Items that will be reclassified subsequently to profit or loss			
Reclassification adjustment of foreign currency translation reserve to profit and loss arising from the disposal of subsidiaries		**835**	4,415
Foreign currency translation differences		**-**	(368)
Other comprehensive income for the year/period, net of tax of nil		**835**	4,047
Total comprehensive income for the year/period		**76,903**	(55,550)
Loss attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax		**(10,196)**	(24,751)
- Profit/(Loss) from discontinued operations, net of tax	19	**86,264**	(34,791)
		76,068	(59,542)
Non-controlling interests			
- Loss from discontinued operations, net of tax	19	**-**	(55)
		76,068	(59,597)
Total comprehensive income attributable to:			
Owners of the Company		**76,903**	(55,495)
Non-controlling interests		**-**	(55)
		76,903	(55,550)
Earnings/ (Loss) per share (Fen) attributable to owners of the Company			
From continuing and discontinued operations			
- basic	20.1	**1.42**	(1.34)
- diluted	20.2	**1.39**	(1.34)
From continuing operations			
- basic	20.1	**(0.19)**	(0.56)
- diluted	20.2	**(0.19)**	(0.56)
From discontinued operation			
- basic	20.1	**1.61**	(0.78)
- diluted	20.2	**1.57**	(0.78)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2013

	Share capital RMB'000	Capital reduction reserve RMB'000	Statutory common reserve RMB'000	Share option reserve RMB'000	Warrant reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 October 2011	402,703	79,151	2,198	2,871	6,886	21,878	(364,664)	151,023	13,052	164,075
Total comprehensive income for the period	-	-	-	-	-	4,047	(59,542)	(55,495)	(55)	(55,550)
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of ordinary shares from exercise of warrants	4,207	-	-	-	(399)	-	-	3,808	-	3,808
Issue of remuneration shares	1,022	-	-	-	-	-	-	1,022	-	1,022
Issue of warrants	-	-	-	-	2,920	-	-	2,920	-	2,920
Equity-settled share option expenses	-	-	-	1,261	-	-	-	1,261	-	1,261
Expired warrants transferred to accumulated losses	-	-	-	-	(6,487)	-	6,487	-	-	-
Total contributions by and distributions to owners	5,229	-	-	1,261	(3,966)	-	6,487	9,011	-	9,011
Changes in ownership interests in subsidiaries										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	16	16
Balance at 31 December 2012	**407,932**	**79,151**	**2,198**	**4,132**	**2,920**	**25,925**	**(417,719)**	**104,539**	**13,013**	**117,552**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**835**	**76,068**	**76,903**	**-**	**76,903**
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Issue of consideration shares	**13,117**	**-**	**-**	**-**	**-**	**-**	**-**	**13,117**	**-**	**13,117**
Issue of shares from exercise of warrants	**14,193**	**-**	**-**	**-**	**(2,920)**	**-**	**-**	**11,273**	**-**	**11,273**
Rights issue of ordinary shares	**25,982**	**-**	**-**	**-**	**-**	**-**	**-**	**25,982**	**-**	**25,982**
Issue of remuneration shares	**1,689**	**-**	**-**	**-**	**-**	**-**	**-**	**1,689**	**-**	**1,689**
Equity-settled share option expenses	**-**	**-**	**-**	**2,139**	**-**	**-**	**-**	**2,139**	**-**	**2,139**
Equity-settled share option expenses cancelled	**-**	**-**	**-**	**(3,684)**	**-**	**-**	**3,684**	**-**	**-**	**-**
Transfer to statutory common reserve	**-**	**-**	**971**	**-**	**-**	**-**	**(971)**	**-**	**-**	**-**
Total contributions by and distributions to owners										
Changes in ownership interests in subsidiaries										
Disposal of subsidiaries	**-**	**-**	**(2,198)**	**-**	**-**	**-**	**-**	**(2,198)**	**(13,013)**	**(15,211)**
Balance at 31 December 2013	**462,913**	**79,151**	**971**	**2,587**	**-**	**26,760**	**(338,938)**	**233,444**	**-**	**233,444**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2013

	Note	**Year ended 31 December 2013 RMB'000**	Period from 1 October 2011 to 31 December 2012 RMB'000
Cash Flows from Operating Activities			
Loss before taxation from continuing operations		**(6,958)**	(24,751)
Profit/(Loss) before taxation from discontinued operation		**86,264**	(34,846)
Total Profit/(Loss) before taxation		**79,306**	(59,597)
Adjustments for:			
Amortisation of intangible assets	4	**22**	30
Depreciation of plant and equipment	3	**1,337**	11
Equity-settled share option expenses		**2,138**	1,261
Issue of remuneration shares	11	**1,689**	1,022
Issue of warrants		**-**	2,920
(Gain)/ Loss on deregistration/disposal of subsidiaries, net	22	**(92,977)**	4,296
Negative goodwill arising from business combination	22	**-**	(1,174)
Loss on disposal of plant and equipment	17	**65**	-
Interest income	16	**(9,912)**	(252)
Operating loss before working capital changes		**(18,332)**	(51,483)
Trade and other receivables		**240,173**	95,321
Trade and other payables		**(301,059)**	(26,966)
Development properties		**37,927**	-
Inventories		**-**	1,197
Cash (used in)/ generated from operations		**(41,291)**	18,069
Income taxes paid		**-**	-
Net cash (used in)/ generated from operating activities		**(41,291)**	18,069
Cash Flows from Investing Activities			
Interest received		**-**	252
Purchase of property, plant and equipment		**(287)**	(63,228)
Proceeds from disposal of property, plant and equipment		**30**	-
Acquisition of subsidiaries (net of cash acquired)	22	**16,816**	4,438
Disposal of subsidiaries (net of cash disposed of)	22	**(601)**	-
Net cash generated from/(used in) investing activities		**15,958**	(58,538)
Cash Flows from Financing Activities			
Issue of ordinary shares from exercise of warrants, net of expenses incurred		**11,273**	3,808
Proceeds from bank overdraft		**-**	43,396
Repayment of bank loan		**(43,247)**	(20,771)
Issue of ordinary shares from rights issue	11	**25,982**	-
Net cash (used in)/ generated from financing activities		**(5,992)**	26,433
Net decrease in cash and cash equivalents		**(31,325)**	(14,036)
Cash and cash equivalents at beginning of year/period		**66,241**	80,607
Exchange differences on translation of cash and cash equivalents at beginning of year/period		**(495)**	(210)
Cash and cash equivalents reflected in statement of financial position		**34,421**	66,361
Less: Bank deposit pledged	9	**-**	(48,624)
Cash and cash equivalents at end of year/period	9	**34,421**	17,737

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

1 General information

The financial statements of Cedar Strategic Holdings Ltd. (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The registered office and principal place of business in Singapore is located at 20 Havelock Road #02-50 Central Square, Singapore 059765. The principal places of business in PRC are No. 177 Zhujiang Road, Xiaohe District, Guiyang City, Guizhou Province, PRC and Level E Kaixuanmen, No.56-58 Zhonghua North Road, Guiyang City, Guizhou Province, PRC.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are as stated in Note 5.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi which is the Group's functional currency. All financial information is presented in Renminbi and rounded to the nearest thousand, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Critical judgements made in applying accounting policies

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are detailed below:

Identification of functional currencies

The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates.

These financial statements are presented in RMB, which is the functional and presentational currency of most of the Group entities. Determination of functional currency involves significant judgement and other companies may make different judgments based on similar facts.

The functional currency of each of the Group entities is principally determined by the primary economic environment in which the respective entity operates. The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

2(a) Basis of preparation (cont'd)

Recoverability of amounts due from TCI and JYD

As at the reporting date, the amounts due from TCI and JYD amounted to RMB 189.9 million and RMB 155.2 million respectively. The amounts represent 47.9% of the Group's total assets as at 31 December 2013.

The amounts arose from (i) the consideration and interest receivable amounting to RMB 189.9 million due from TCI, an investment vehicle incorporated in the British Virgin Islands owned by JYD following the sale of the Group's equity interests in Jade Marketing & Distribution Pte Ltd ("JMD"), Jade Real Estate Pte. Ltd ("JRE"), Daqing Xinde Chemical Marketing & Distribution Ltd and Daqing XinLong Chemical Company Ltd (collectively known as the "Disposal Group") to JYD and (ii) the amounts due from/(to) JYD's affiliated companies and certain advances extended to the employees totalling RMB 155.2 million, currently recorded in the books of the Group's newly acquired wholly-owned subsidiaries in (a) Guizhou Shengxiang Investment Management Co., Ltd, (b) Guiyang Shunhe Real Estate Development Co., Ltd and (c) Guizhou Huamao Assets Operation Management Co., Ltd in which JYD has undertaken to repay the Group.

Management is of the view that the amounts due from TCI and JYD are recoverable as management has not completed its initial accounting for its business combination arising from the acquisition of Trechance and its subsidiaries at the reporting date. Accordingly, management currently reports the values of the identifiable assets acquired and liabilities assumed on a provisional basis. During the twelve months measurement period from the date of acquisition, Management will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date and if known, would have affected the measurement of the amounts of assets and liabilities recognised as of that date. The financial statements do not include any adjustments relating to the recoverability of the amounts due from TCI and JYD.

Critical assumptions used and accounting estimates in applying accounting policies

Estimation of net realisable value of development properties

Significant judgement is required in assessing the net realisable value of development properties. Net realisable value in respect of development properties is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated remaining revenues and estimated costs necessary to make the sale.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Impairment of property, plant and equipment

Property, plant and equipment is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets, and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecasted revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

2(a) Basis of preparation (cont'd)

Allowance for bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

Critical assumptions used and accounting estimates in applying accounting policies (cont'd)

Income tax

Significant judgement is involved in determining provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Impairment of subsidiaries

The Company assesses at the end of each reporting period whether there is any indication that the investments in subsidiaries may be impaired. If any indication exists, the investment is tested for impairment. The determination of the recoverable amount requires an estimation of the value in use of the cash generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) Interpretations and amendments to published standards effective in 2013

On 1 January 2013, the Group adopted the amended FRSs that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 1	Presentation of items of Other Comprehensive Income	1 July 2012
FRS 19	Employee Benefits	1 January 2013
FRS 107	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
FRS 113	Fair Value Measurements	1 January 2013
Improvements to FRSs 2012		1 January 2013

The adoption of the new and amended FRS and interpretations did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current period or prior financial year.

2(c) FRS not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(d) Summary of significant accounting policies

Basis of consolidation

Business combinations

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group"). The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2(d) Summary of significant accounting policies (cont'd)

Basis of consolidation (cont'd)

Business combinations (cont'd)

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquire and c) acquisition-date fair value of any existing equity interest in the acquire, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses. The accounting policies for subsidiaries are adjusted to be consistent with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to statement of comprehensive income or transferred directly to retained earnings if required by a specific Standard.

Loss of control

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

2(d) Summary of significant accounting policies (cont'd)

Basis of consolidation (cont'd)

Transactions eliminated on consolidation

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

Subsidiaries are stated at cost less allowance for impairment losses, if any, in the statement of financial position of the Company.

Transactions with non-controlling interests

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Reminbi ("RMB"), which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the statement of comprehensive income. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to statement of comprehensive income, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2(d) Summary of significant accounting policies (cont'd)

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Economic rights

Economic rights relate to the rights to trade, market and distribute titanium dioxide related products produced by a manufacturer. Economic rights are amortised on a straight-line basis over the contractual period of 20 periods.

Computer software

Costs relating to computer software acquired, which are not an integral part of the related hardware, are capitalised and amortised on a straight-line basis over the estimated useful life of 3 to 5 periods.

Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Leasehold buildings	20 to 30 years
Car park lots	20 years
Office equipment	5 to 8 years
Furniture and fittings	3 years
Renovations	5 years
Motor vehicles	5 to 8 years

Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

2(d) Summary of significant accounting policies (cont'd)

Property, plant and equipment and depreciation (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised in the statement of comprehensive income over the lease term of 50 years.

Development properties

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties, aggregate cost of development, materials and supplies, wages and other direct expenses, less any allowance considered necessary by the Directors.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceases upon completion of development. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted average as applicable.

Properties for sale under development are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Completed properties are carried at the lower of cost and net reaslisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the end of the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

2(d) Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables. They are subsequently measured at amortised cost using the effective interest method, less allowance for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or writeback is recognised in statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and fixed deposits.

Disposal group held for sale

Disposal group held for sale comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

If the criteria to classify as held for sale are no longer met, the assets, or disposal group, are remeasured at the lower of the carrying amount before the classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the assets or disposal group not been classified as held for sale, and the recoverable amount at the date of the subsequent decision not to sell.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2013

2(d) Summary of significant accounting policies (cont'd)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Warrant reserve

The fair value ascribed to warrants less issue expenses is credited as a reserve in equity under warrant reserve and the related balance is transferred to the share capital account as and when the warrants are exercised. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

Financial liabilities

The Group's financial liabilities comprise bond issued to a third party and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in "finance cost" in statement of comprehensive income. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Leases

Where the Group is the lessee,

<u>Operating leases</u>

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals on operating leases are charged to statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in statement of comprehensive income when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2(d) Summary of significant accounting policies (cont'd)

Income taxes (cont'd)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a transaction which is recognised either in other comprehensive income or directly in equity.

Employee benefits

Pension obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to statement of comprehensive income in the period to which the contributions relate.

Employee Share Option Scheme

The Company has an employee share option plan for the granting of non-transferable options.

The Group issues equity-settled share options to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under option that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under option that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve is credited to the share capital account when new ordinary shares are issued.

2(d) Summary of significant accounting policies (cont'd)

Employee benefits (cont'd)

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Remuneration shares

The fair value of shares issued to employees for services to be received over the service period is classified as prepaid remuneration shares at the date of issue of the shares, and recognised as an expense in statement of comprehensive income when services are rendered by the employees over the service period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in the statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income.

2(d) Summary of significant accounting policies (cont'd)

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Sale of properties

Revenue from sale of properties is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers for sales of properties and are classified as current liabilities.

Rental and car park income

Rental and car park income receivable under operating leases are accounted for on a straight-line basis over the lease terms.

Hostel and utilities income

Hostel and utilities income are recognised when the services are rendered.

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and warrants.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2013

3. Property, plant and equipment

The Group	Leasehold building RMB'000	Car park lots RMB'000	Office equipment RMB'000	Furniture and fittings RMB'000	Renovation RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost							
At 1 October 2011	-	-	191	-	-	-	191
Additions	-	-	7	-	-	-	7
At 31 December 2012	-	-	**198**	-	-	-	**198**
Acquisitions through business combinations (Note 22)	**6,287**	**76,756**	**237**	-	**924**	**721**	**84,925**
Other additions	-	-	**137**	**19**	**131**	-	**287**
Disposals of subsidiaries	**(6,287)**	-	**(298)**	**(19)**	**(1,055)**	-	**(7,659)**
Disposals	-	-	-	-	-	**(71)**	**(71)**
At 31 December 2013	-	**76,756**	**274**	-	-	**650**	**77,680**
Accumulated depreciation and impairment losses							
At 1 October 2011	-	-	149	-	-	-	149
Depreciation charge for the period	-	-	11	-	-	-	11
At 31 December 2012	-	-	**160**	-	-	-	**160**
Depreciation charge for the year	**50**	**979**	**65**	**2**	**217**	**24**	**1,337**
Disposals of subsidiaries	**(50)**	-	**(39)**	**(2)**	**(217)**	-	**(308)**
Disposals	-	-	-	-	-	**(6)**	**(6)**
At 31 December 2013	-	**979**	**186**	-	-	**18**	**1,183**
Net carrying amount							
At 31 December 2013	-	**75,777**	**88**	-	-	**632**	**76,497**
At 31 December 2012	-	-	38	-	-	-	38

3 Property, plant and equipment (cont'd)

The Company	Office equipment RMB'000
Cost	
At 1 October 2011	92
Additions	7
At 31 December 2012	**99**
Additions	**12**
At 31 December 2013	**111**
Accumulated depreciation	
At 1 October 2011	50
Depreciation for the period	11
At 31 December 2012	61
Depreciation for the year	**26**
At 31 December 2013	**87**
Net book value	
At 31 December 2013	**24**
At 31 December 2012	38

As at 31 December 2013, the Group's carrying amount of car park lots amounting to RMB 75.8 million related to the portion of construction costs incurred for the construction of 1,939 car park lots for 小城故事 (Xiao Cheng Gu Shi) project located at No. 117 Zhujiang Road, Xiaohe District, Guiyang City. The cost of construction was depreciated over a useful life of 20 years following its completion in FY 2007. As at the reporting date, the Group does not have legal title over the car parks constructed. The directors are of the opinion that since the costs to construct the car park lots have been incurred and the Group is enjoying the use of the land, the risks and rewards of these car park lots have been transferred to the Group.

4 Intangible assets

The Group and the Company	Computer software RMB'000
Cost	
At 1 October 2011, 31 December 2012 and 31 December 2013	**141**
Accumulated amortisation	
At 1 October 2011	87
Amortisation for the period	30
At 31 December 2012	**117**
Amortisation for the year	**22**
At 31 December 2013	**139**
Net book value	
At 31 December 2013	**2**
At 31 December 2012	24

5 Subsidiaries

The Company	**2013 RMB'000**	2012 RMB'000
Unquoted equity investments, at cost	**22,500**	-
Allowance for impairment losses	**-**	-
	22,500	-

Details of the subsidiaries are:

Name of subsidiaries	Country of incorporation/ principal place of business	Principal activities	Effective percentage of equity held by the Company 2013	2012	Cost of Investment 2013 RMB'000	2012 RMB'000
Held by the Company						
Trechance Holdings Limited [1] ("Trechance")	Hong Kong	Investment holding	**100.00**	-	**22,500**	-
West Themes Pte Ltd [1,2] ("West Themes")	Singapore	Asset management and investment holding	**-**	-	-	-
Yess Le Green Pte. Ltd. [1,2] ("YLG")	Singapore	Asset management	**-**	-	-	-
					22,500	-
Held by Trechance						
Guizhou Cedar Hua Cheng Investment Management Co., Ltd[1] ("Cedar Hua Cheng")	PRC	Investment holdings	**100.00**	-	**++**	-
Held by Cedar Hua Cheng						
Guizhou Shengxiang Investment Management Co., Ltd[1] ("Guizhou Shengxiang)	PRC	Inactive	**100.00**	-	**++**	-
Guiyang Shunhe Real Estate Development Co., Ltd[1] ("Guiyang Shunhe")	PRC	Property development	**100.00**	-	**++**	-
Guizhou Huamao Assets Operation Management Co., Ltd[1] ("Guizhou Huamao")	PRC	Inactive	**100.00**	-	**++**	-

1 Audited by Foo Kon Tan Grant Thornton LLP for consolidation purposes

2 The Group completed the acquisitions of West Themes and YLG from Mr. Stanley Lee Kiang Leng (the "Vendor") on 5 February 2013 and they were subsequently disposed off to the same Vendor on 30 November 2013

++ Interest held through subsidiaries

Since the end of the last financial period ended 31 December 2012, the costs of investments in JMD and JRE amounting to RMB 28.8 million had been reclassified to "disposal group held-for-sale". Please see Note 10 for more details.

5 Subsidiaries (cont'd)

Acquisition of West Themes and YLG

On 28 January 2013, the Company entered into a Sale and Purchase Agreement with Mr. Stanley Lee Kiang Leng (the "Vendor") to acquire 100% equity interests in West Themes and YLG for an aggregated consideration of S$6.3 million (equivalent to RMB 32.2 million). The consideration was satisfied by (i) the issuance of a 5% S$2 million bond due in FY 2016; (ii) the issuance of 289 million consideration shares, (iii) cash consideration of S$ 2 million and (iv) the issuance of 250 million warrants, with each warrant carrying the right to subscribe for one share in the Company at a price of S$0.008. The acquisition of West Themes and YLG was completed on 5 February 2013 and the Company has paid a cash consideration of S$1 million to the Vendor, with the remaining S$1 million being accrued.

On 30 November 2013, the Company announced the disposal of the entire equity interests in West Themes and YLG back to Yess Management International Pte. Ltd, a company owned by the Vendor for a consideration of S$2.5 million. The initial upfront payment of S$1 million was set-off against the remaining consideration of S$1 million payable to the Vendor as mentioned in the preceding paragraph. As stipulated in the Sale and Purchase Agreement, the outstanding purchase consideration receivable amounting to S$1.5 million (equivalent to RMB 7.2 million) will be received in 2 tranches within the next 18 months (with the first tranche of S$1 million (equivalent to RMB 4.82 million within the next 12 months, i.e. 30 November 2013) and S$0.5 million (equivalent to RMB 2.4 million) by May 2015. Please see Note 8 for more details.

Acquisition of Trechance

On 25 August 2013, the Company entered into a Sale and Purchase Agreement with Talented Creation International Limited ("TCI") to acquire the entire issued and paid-up share capital of Trechance for a consideration of RMB 22.5 million. The consideration will be satisfied by the issuance of 128,576,982 consideration shares at an issue price of S$0.007 and the issuance of a S$3.6 million (equivalent to RMB 17.3 million) 5% bond due in FY 2015. The acquisition of Trechance was completed on 29 October 2013. As at the balance sheet date, the consideration shares have not been issued to TCI and the amount payable amounting to RMB 5.2 million is reflected as "accrued consideration payable" included in "trade and other payables" as disclosed in Note 13 to the financial statements.

6 Development properties

Completed properties for sale, at cost

The Group	**2013** **RMB'000**	2012 RMB'000
At 1 January	**-**	-
Acquisition through business combination (Note 22)	**202,552**	-
Units sold during the financial period from 1 November 2013 to 31 December 2013	**(37,927)**	-
	164,625	-

Completed properties for sale during the year are as follows:

Location (Guizhou, PRC)	**Description**	**Existing use**	**Gross floor area (sq. meters)**	**Group's effective interest**
No. 117 Zhujiang Road, Xiaohe District, Guiyang City	Commercial and residential units	Commercial and residential units	465,000	100%

Development properties comprise of capitalised interest expense amounting to RMB 44.3 million arising from loans taken out to fund the construction of the Xiao Cheng Gu Shi project.

7 Land for development

The amount relates to a payment made to 贵州省国土资源厅贵阳经济技术开发区国土资源分局 amounting to RMB 4.26 million in connection with a piece of land with an area of 1,670.19 square meters located at Zhujiang Road, Xiaohe District. The Group has also paid relocation costs amounting to RMB 1.3 million as disclosed in Note 8 to the financial statements to the affected parties in respect of the same piece of land.

8 Trade and other receivables

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Non-current				
Amount due from a subsidiary (Note A)	**-**	-	**189,912**	-
Consideration receivables from vendors on disposals of subsidiaries (Note B)	**192,320**	-	**2,408**	-
	192,320	-	**192,320**	-
Current				
Other receivables, including tax recoverables	**6,218**	2,314	**-**	2,314
Deposits placed to purchase land (Note C)	**80,000**	-	**-**	-
Other deposits	**88**	68	**72**	68
Amount due from a subsidiary	**-**	-	**9,701**	-
Amounts due from JYD (Note D)	**155,180**	-	**-**	-
Consideration receivable from a vendor on disposal of a subsidiary (Note B)	**4,816**	-	**4,816**	-
Loans and receivables	**246,302**	2,382	**14,589**	2,382
Prepayment for relocation costs (Note C)	**1,316**	-	**-**	-
Prepayments	**507**	194	**508**	194
	248,125	2,576	**15,097**	2,576

Note A:

The Company has previously entered into an Equity Transfer Agreement (the "Agreement") dated 16 August 2012 with Trechance, TCI and JYD where the Company agreed to transfer all its beneficial interests and title in its 51% equity stake in JMD, 100% interest in JRE and its equity interests in XinDe and XinLong (collectively known as the "Disposal Group Held for Sale") to TCI for a consideration of RMB 180 million (the "Consideration"). The divestment was completed in February 2013.

Under the same Agreement, management agreed to utilise the Consideration by (i) extending a loan amounting to RMB 100 million to Trechance for a tenure of 3 years, bearing an interest rate of 10% per annum and (ii) acquiring a 25% economic interest in a piece of land in Kaiyang County, Guizhou Province, PRC for a consideration of RMB 80 million. Trechance was previously a wholly-owned subsidiary of TCI.

Pursuant to the Sale and Purchase Agreement dated 25 August 2013 entered with TCI to acquire the entire issued and paid-up share capital of Trechance for a consideration of RMB 22.5 million, Trechance agreed to repay the Company a sum equivalent to the land purchase price of RMB 80 million by way of a loan due to the Company based on the same terms and conditions of the initial loan of RMB 100 million as mentioned above. The loan extended to the subsidiary, including accrued interest receivable of RMB 9.9 million, is denominated in RMB.

8 Trade and other receivables (cont'd)

Note B:

Trechance subsequently entered into a separate back-to-back loan agreement amounting to RMB 180 million with TCI. The loan bears interest of 10% per annum for a period of 3 years. Accordingly, the entire outstanding balance of RMB 189.9 million has been reclassified to "consideration receivable from vendors" in the consolidated statement of financial position as at 31 December 2013.

The remaining consideration receivable of RMB 7.2 million (equivalent to S$1.5 million) relates to the receivable from Yess Management International Pte. Ltd, a company owned by the Vendor, which arose from the disposal of the Group's entire interests in YLG and West Themes as disclosed in Note 5 to the financial statements. The outstanding receivable is secured by a charge over the property asset owned by the Vendor, located at No. 149 Chempaka Kuning Link, The Springfield, Singapore 486342.

Note C:

As at 31 December 2013, the Group has placed a deposit of RMB 80 million with 开阳县土地储备中心 in respect of the purchase of a piece of land with a gross floor area of 299,700 square meters.

Note D:

The amounts due from JYD are unsecured, interest-free and are repayable on demand.

Impairment losses

The ageing of trade and other receivables at amortised cost at the reporting date is:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
No credit terms	**235,109**	2,576	**10,281**	2,576
Not past due	**4,816**	-	**4,816**	-
Past due:				
- More than 12 months	**8,200**	-	**-**	-
	248,125	2,576	**15,097**	2,576

There was no impairment losses recognised for the financial year ended 31 December 2013 (2012: Nil).

Trade receivables are non-interest bearing and they are recognised at their original invoiced amounts which represent their fair values on initial recognition. The Group's historical experience in the collection of trade receivables fall within the recorded allowances. As a result, management believes no additional credit risk beyond the amounts provided for, is inherent in the Group's trade receivables.

8 Trade and other receivables (cont'd)

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
RMB	**235,799**	-	**-**	-
Singapore Dollar	**12,214**	2,576	**15,097**	2,576
Hong Kong Dollar	**7**	-	**-**	-
United States Dollar	**105**	-	**-**	-
	248,125	2,576	**15,097**	2,576

9 Cash and cash equivalents

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Fixed deposits	**8,510**	48,000	**3,083**	48,000
Cash and bank balances	**25,911**	18,241	**18,921**	18,241
	34,421	66,241	**22,004**	66,241

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2013	2012
The Group	**RMB'000**	RMB'000
Cash and cash equivalents in the statements of financial position	**34,421**	66,241
Deposit pledged with a financial institution	**-**	(48,624)
Discontinued operation (Note 10)	**-**	120
Cash and cash equivalents in statements of cash flows	**34,421**	17,737

In the previous financial period ended 31 December 2012, deposit pledged represents bank balances pledged as security to obtain credit facility for the acquisition of XinLong (see Note 10).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Renminbi	**6,989**	-	**-**	-
Singapore dollar	**21,974**	5,921	**21,974**	5,921
Hong Kong dollar	**5,428**	-	**-**	-
United States dollar	**30**	60,320	**30**	60,320
	34,421	66,241	**22,004**	66,241

The fixed deposits have an average maturity of 1 month from the end of the reporting period with interest rate ranging from 0.08% to 0.16% per annum. (2012: 0.1% to 2.5% per annum)

10 Disposal group held for sale

In the previous financial year, the Board announced that the Company has entered into an Agreement as disclosed in Note 8 to the financial statements to transfer to TCI all its beneficial interests and titles in the Disposal Group for a consideration of RMB 180 million.

Management was of the view that the criteria to classify the assets and liabilities of the disposed group as held for sale has been met as at 31 December 2012 since the disposal group was available for immediate sale in its present condition, subject to only customary terms and conditions precedents and the sale of the disposal group was highly probable and the equity transfer was expected to be completed in February 2013.

On 22 February 2013, the Board of Directors announced that the Company has completed the equity transfer to TCI of all its interest and title in the Disposal Group.

As at 31 December 2012, the assets of the Company, and the disposal group comprising assets and liabilities of the Group, were as follows:

	2012
The Group	RMB'000
Assets	
Plant and equipment	141,263
Intangible assets	1,023
Inventories	3,951
Trade and other receivables	1,618
Cash and cash equivalents	120
Assets classified as disposal group held for sale	147,975

	2012
The Group	RMB'000
Liabilities	
Trade and other payables	(26,215)
Borrowings	(67,625)
Liabilities classified as disposal group held for sale	(93,840)

The Company	
Intangible assets	-
Subsidiary	28,839
Assets classified as disposal group held for sale	28,839

Following the Group's successful acquisition of the entire registered capital of XinLong, the economic rights previously acquired by the Group and the Company to trade, market and distribute titanium dioxide related products manufactured by XinLong ceased and accordingly, management wrote off the carrying amount of the economic rights amounting to RMB35.8 million in the Company's statement of comprehensive income and set off the economic rights written off against the negative goodwill arising from the acquisition of XinLong in the Group's statement of comprehensive income in the previous financial period (see Note 22).

11 Share capital

The Company	2013 Number of ordinary shares	2012 Number of ordinary shares	2013 RMB'000	2012 RMB'000
Issued and fully paid, with no par value				
At beginning of year/period	**4,707,935,029**	4,408,857,165	**407,932**	402,703
Issue of consideration shares	**289,000,000**	-	**13,117**	-
Issue of shares from exercise of warrants	**582,500,000**	249,077,864	**14,193**	4,207
Rights issue	**1,059,570,002**	-	**25,982**	
Issue of remuneration shares	**50,000,000**	50,000,000	**1,689**	1,022
At end of year/period	**6,689,005,031**	4,707,935,029	**462,913**	407,932

On 15 April 2013, the Company issued 289 million consideration shares in connection with the acquisitions of West Theme and YLG.

During the current financial year, 582.5 million ordinary shares amounting to RMB 14.2 million were issued as a result of the exercise of warrants on 25 June 2013 and 2 September 2013 respectively. In the previous financial period ended 31 December 2012, 249,077,864 ordinary shares were issued as a result of the exercise of warrants amounting to RMB 4.2 million.

On 6 September 2013, 50,000,000 new ordinary shares in the capital of the Company were allotted and issued to the Group's Chief Executive Officer (2012: 50 million new ordinary shares).

On 22 November 2013, the Company issued 1,059,570,002 rights shares at an issue price of S$0.005 per Rights share amounting to RMB 26.0 million on the basis of one Rights Share for every two existing ordinary shares held by the shareholders.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

12 Reserves

	The Group		The Company	
	2013 **RMB'000**	2012 RMB'000	**2013** **RMB'000**	2012 RMB'000
Capital reduction reserve	**79,151**	79,151	**79,151**	79,151
Statutory common reserve	**971**	2,198	**-**	-
Share option reserve	**2,587**	4,132	**2,587**	4,132
Warrant reserve	**-**	2,920	**-**	2,920
Exchange fluctuation reserve	**26,760**	25,925	**26,760**	26,760
Accumulated losses	**(338,938)**	(417,719)	**(345,149)**	(428,639)
	(229,469)	(303,393)	**(236,651)**	(315,676)

Capital reduction reserve

Capital reduction reserve comprises the reduction in the par value of each ordinary share in the share capital of the Company which was approved by the Court of Singapore and became effective on 9 February 2004.

12 Reserves (cont'd)

Statutory common reserve

The statutory common reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the PRC in accordance with PRC requirement. The statutory common reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

Share option reserve

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options.

Warrant reserve

Warrant reserve relates to the fair value ascribed to warrants issued, net of issue expenses. As and when the warrants are exercised, the related balance in the warrant reserve is transferred to the share capital account. At the expiry of the warrants, the balance in the warrant reserve is transferred to retained earnings.

On 28 January 2013, the Company issued 250 million warrants to the Vendor as described in Note 5 to the financial statements. Each warrant carrying the right to subscribe for one share in the Company at the price of S$0.008. The management has assessed that the fair value ascribed to the above warrants to be Nil. The warrant reserve amounting to RMB 2.92 million as at 31 December 2012 related to the fair value ascribed to 582.5 million warrants issued. The warrants were subsequently exercised and converted into ordinary shares in the capital of the Company.

Exchange fluctuation reserve

The exchange fluctuation reserve records exchange differences arising from the translation of financial statements of foreign entities whose functional currencies are different from that of the Group's presentation currency.

13 Trade and other payables

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Trade payables	**68,699**	-	**-**	-
Accrued operating expenses	**22,152**	4,030	**2,142**	4,030
Amounts due to directors	**7,930**	-	**-**	-
Accrued consideration payable	**5,163**	-	**5,163**	-
Other payables	**54,795**	1,432	**1,043**	1,432
Other tax payables	**19,089**	-	**-**	-
Financial liabilities at amortised cost	**177,828**	5,462	**8,348**	5,462
Deposits placed by customers on purchase of development properties	**265,988**	-	**-**	-
	443,816	5,462	**8,348**	5,462

13 Trade and other payables (cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
RMB	**427,608**	-	**225**	-
Singapore Dollar	**10,771**	5,462	**8,123**	5,462
Hong Kong Dollar	**5,437**	-	**-**	-
	443,816	5,462	**8,348**	5,462

14 Financial liability

As part of the purchase consideration to finance the acquisition of Trechance and its subsidiaries, the Company issued a 5% bond with a principal amount of S$3.6 million (equivalent to RMB 17.3 million) due in FY 2015 to TCI.

15 Revenue

The Group's revenue from continuing operations relate to the income generated from the sale of development properties to external customers.

16 Other income

	2013	Period from 1 October 2011 to 31 December 2012
The Group	**RMB'000**	RMB'000
Interest income	**9,936**	252
Others	**-**	9
	9,936	261

17 Profit/(Loss) for the year/period

The Group	Note	2013 RMB'000	Period from 1 October 2011 to 31 December 2012 RMB'000
Profit/(Loss) for the period/year has been arrived at after charging:			
Amortisation of intangible assets	4	**22**	30
Depreciation of property, plant and equipment	3	**1,337**	11
Exchange loss/(gain), net		**706**	(1,494)
Loss on disposal/ deregistration of subsidiaries, net		**-**	4,296
Loss on disposal of property, plant and equipment		**65**	-
Operating lease expenses		**3,424**	363
Staff costs:			
Directors:			
Directors' fees		**1,735**	2,811
Directors' remuneration other than fees			
- salaries and other related costs		**2,820**	1,724
- commission expense		**2,534**	-
- contributions to defined contribution plan		**194**	72
- share options		**1,268**	805
- termination benefits		**296**	-
Key management personnel (other than directors):			
- salaries and other related costs		**1,969**	1,467
- contributions to defined contribution plan		**93**	112
- remuneration shares		**1,689**	1,011
- share options		**743**	352
Other than directors and key management personnel:			
- salaries and other related costs		**2,477**	938
- contributions to defined contribution plan		**272**	152
- share options		**127**	208
		16,217	9,652

18 Taxation

The Group	2013 RMB'000	Period from 1 October 2011 to 31 December 2012 RMB'000
Current taxation		
- current year	**3,238**	-
	3,238	-
Current taxation		
- discontinued operation (Note 19)	**-**	-
	-	-

The tax expense on the results of the financial period varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on profits/ (losses) as a result of the following:

The Group	2013 RMB'000	Period from 1 October 2011 to 31 December 2012 RMB'000
Loss before taxation from continuing operations	**(6,958)**	(24,751)
Profit/(Loss) before taxation from discontinued operation (Note 19)	**86,264**	(34,846)
Total profit/(loss) before taxation	**79,306**	(59,597)

The Group	2013 RMB'000	Period from 1 October 2011 to 31 December 2012 RMB'000
Total profit/(loss) before taxation	**79,306**	(59,597)
Tax at statutory rates applicable to different jurisdictions	**14,673**	(13,151)
Tax effect on non-deductible expenses	**1,488**	6,681
Tax effect on non-taxable income	**(19,121)**	(6,438)
Deferred tax assets on temporary differences not recognised	**6,198**	12,908
	3,238	-

As at the reporting date, there was no tax losses carried forward (2012: NIL)

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Company and its subsidiaries operate. Deferred tax assets have not been recognised in respect of the tax losses because there is no reasonable certainty that future taxable profit will be available against which the Group and the Company can utilise the benefits.

19 Discontinued operations

In February 2013, the Group completed the divestment of the Disposal Group as mentioned in Note 10 to the financial statements. In the previous financial period ended 31 December 2012, the Group publicly announced the decision of its board of directors to discontinue the titanium dioxide business within the trading segment by selling the Group's 51% interest in the issued share capital of JMD and 100% stake in JRE to TCI. The comparative income statement of the Disposal Group for the financial period ended 31 December 2012 was already presented separately to show the discontinued operation from continuing operations.

In October 2013, the Group sold its entire asset management business in West Themes and YLG domiciled in Singapore. The segment was not a discontinued operation or classified as held for sale as at 31 December 2012 as the subsidiaries were acquired only in February 2013.

The Group	**2013** **RMB'000**	Period from 1 October 2011 to 31 December 2012 RMB'000
Revenue	**2,034**	-
Cost of sales	**(3,699)**	-
Gross loss	**(1,665)**	-
Other income	**76**	2,096
Selling and distribution expenses	**(212)**	-
Administrative expenses	**(4,858)**	(21,942)
Other operating expenses	**(9)**	(15,000)
Finance costs	**(45)**	
Loss before taxation	**(6,713)**	(34,846)
Taxation (Note 18)	-	-
Loss from discontinued operation, net of tax	**(6,713)**	(34,846)
Gain on sale of discontinued operations, net (Note 22)	92,977	-
	86,264	(34,846)
Attributable to:		
Owners of the Company	**86,264**	(34,791)
Non-controlling interest	-	(55)
	86,264	(34,846)
Basic earnings per share (Fen)	**1.61**	(0.78)
Diluted earnings per share (Fen)	**1.57**	(0.78)

Of the profit from discontinued operation of RMB 86,264,000 (2012 - loss of RMB 34,846,000), an amount of profit amounting to RMB 86,264,000 (2012 - loss of RMB 34,791,000) is attributable to the owners of the Company. The loss from continuing operations of RMB 10,196,000 (2012 – loss from continuing operations of RMB 24,751,000) is wholly attributable to the owners of the Company.

19 Discontinued operations (cont'd)

The Group	2013 RMB'000	Period from 1 October 2011 to 31 December 2012 RMB'000
Net cash (used in)/generated from operating activities	**(7,350)**	36,204
Net cash generated from/ (used in) investing activities	**30**	(58,783)
Net cash (used in)/ generated from financing activities	**(43,247)**	22,625
Net cash flows for the year/period	**(50,567)**	46

20 Earnings/ (Loss) per share

20.1 Basic earnings/ (loss) per share

The calculation of basic (loss)/earnings per share was based on the profit attributable to ordinary shareholders of RMB 76,903,000 (2012 – Loss of RMB 59,542,000) and a weighted average number of ordinary shares outstanding of 5,357,516,000 (2012 - 4,456,722,000), calculated as follows:

(a) Profit/ (Loss) attributable to ordinary shareholders

The Group	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
2013			
(Loss)/ Profit attributable to ordinary shareholders	**(10,196)**	**86,264**	**76,068**
Basic earnings/(loss) per share (Fen)	**(0.19)**	**1.61**	**1.42**
2012			
Loss attributable to ordinary shareholders	(24,751)	(34,791)	(59,542)
Basic loss per share (Fen)	(0.56)	(0.78)	(1.34)

(b) Weighted average number of ordinary shares

The Group	2013 RMB'000	2011 RMB'000
Issued ordinary shares at beginning of year/period	**4,707,935**	4,408,857
Effect of consideration shares issued	**267,622**	-
Effect of warrants exercised	**249,815**	39,459
Effect of remuneration shares issued	**16,027**	8,406
Effect of rights issue	**116,117**	-
Weighted average number of ordinary shares during the year/period	**5,357,516**	4,456,722

20 Earnings/ (Loss) per share (cont'd)

20.1 Basic earnings/ (loss) per share (cont'd)

The calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders of RMB 76,903,000 (2012 – Loss of RMB 59,542,000), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 5,484,497,000 (2012 - 4,686,895,000), calculated as follows:

(a) Profit/ (Loss) attributable to ordinary shareholders (diluted)

The Group	Continuing operations RMB'000	Discontinued operation RMB'000	Total RMB'000
2013			
(Loss)/ Profit attributable to ordinary shareholders	**(10,196)**	**86,264**	**76,068**
Diluted loss per share (Fen)	**(0.19)**	**1.57**	**1.39**
2012			
(Loss)/Profit attributable to ordinary shareholders	(24,751)	(34,791)	(59,542)
Diluted (loss)/earnings per share (Fen)	(0.56)	(0.78)	(1.34)

(b) Weighted average number of ordinary shares (diluted)

The Group	**2013 RMB'000**	2011 RMB'000
Weighted average number of ordinary shares (basic)	**5,357,516**	4,456,722
Effect of warrants on issue	**-**	230,173
Effect of share options on issue	**126,981**	-
Weighted average number of ordinary shares (diluted) during the year/period	**5,484,497**	4,686,895

In 2012, the diluted earnings per share was computed based on the basic weighted average number of shares of 5,357,516,000 shares (2012 - 4,456,722,000 shares) as the Group was loss making in 2012 respectively. 187,500,000 options were also excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options and warrants were outstanding.

21 Equity-settled share option expenses transactions

21.1 Share Option Scheme

At an Extraordinary General Meeting of the Company held on 21 August 2009, shareholders approved the Cedar Strategic Holdings Ltd. (formerly known as China Titanium Ltd.) Employee Share Option Scheme (previously known as Jade Technologies Holdings Ltd. Employee Share Option Scheme) (the "Scheme"). The Scheme is administered by the Company's Remuneration Committee whose members are all independent directors of the Company. Under the Scheme, the Company may grant options to employees and directors of the Company and its subsidiaries in recognition of their services and contributions to the growth and development of the Group. The Scheme aligns the interest of the participants with those of shareholders so as to motivate them to contribute towards future growth and profitability of the Group and maximisation of shareholder value in the longer term.

The total number of new shares over which options may be granted pursuant to the Scheme, when added to the number of shares issued and issuable under such other share-based incentive plans of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant.

Options granted to employees who, as of the date of grant, have been in the employment of the Group for a period of twelve months or more, may be exercised one year after the date of grant. Options which are granted to employees who have been in the employment of the Group for less than twelve months as of the date of grant may be exercised two years after the date of grant. Options which are granted to directors may be exercised one year after the date of grant.

Options granted to employees and non-executive directors expire after ten and five years from the date of grant respectively.

Irrespective of an employee's period of employment with the Group as of the date of grant, all options with exercise prices which represent a discount to the market price may be exercised two years after the date of grant.

If a variation in the issued share capital of the Company occurs (whether by way of a capitalisation of profits or reserves or a rights issue or the conversion of convertible loan stock or other debt securities or a reduction, subdivision or consolidation of shares), the subscription price in respect of shares comprised in an option to the extent unexercised, the class and/or number of shares comprised in an option to the extent unexercised or in respect of which additional options may be granted under the Scheme and the maximum entitlement in any financial period shall be adjusted in such a manner as the Remuneration Committee may determine to be appropriate.

Details of the share options are as follows:

Weighted average exercise price	Balance at 1.1.2013	Options granted	Options forfeited/ lapsed	Balance at 31.12.2013	Period exercisable	Options exercisable on 31.12.2013
S$0.02	10,000,000	-	-	10,000,000	25.5.2011 to 24.5.2015	-
S$0.02	33,000,000	-	(30,000,000)	3,000,000	25.5.2012 to 24.5.2020	-
S$0.004	187,500,000	-	(60,500,000)	127,000,000	30.8.2013 to 29.8.2022	-
	230,500,000	-	(90,500,000)	140,000,000		-

21 Equity-settled share option expenses transactions (cont'd)

21.1 Share Option Scheme (cont'd)

There were no shares issued during the financial periods ended 31 December 2013 and 2012 by virtue of the exercise of options to take up unissued shares of the Company.

The weighted average remaining contractual life of options outstanding at the end of the reporting period is 7.95 years (2012: 9.908 years).

Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of share options is determined using the Black-Scholes valuation model with the assumptions as set out below:

	2012	2011
Weighted average fair value at measurement date	**S$0.00318**	S$0.0099
Exercise price at date of grant	**S$0.004**	S$0.02
Expected volatility	**159%**	118%
Expected option life	**10 years**	3 years
Risk-free interest rate	**1.39%**	1.37% to 3.25%
Expected dividend yield	**0%**	0%

The exercise price at the grant date is based on volume-weighted share price for three consecutive trading days prior to the grant date.

The expected volatility is measured by the standard deviation of 36 months' average intra-day high and low share prices prior to the grant date.

The risk-free interest rate is based on the five-year/ten-year zero-coupon Singapore Government Securities bonds with maturity comparable to the life of option.

Expected dividend yield is based on expected dividend payout over the one year volume-weighted average share price prior to the grant date.

There is no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

21.2 Remuneration shares

On 6 September 2013, 50,000,000 new ordinary shares in the capital of the Company were allotted and issued to the Group's Chief Executive Officer. The remuneration shares are free from all claims, charges, liens and other encumbrances and rank *pari passu* in all respects with and carry all rights similar to the existing ordinary shares of the Company.

22 Acquisitions and disposals of subsidiaries

Acquisition of West Themes and YLG

On 5 February 2013, Group completed the acquisition of the entire issued and paid-up share capital of West Themes and YLG for a consideration of S$6.3 million. In the 9 months to 31 October 2013, West Themes and YLG contributed revenue of RMB 2.0 million (equivalent to S$0.4 million) and a loss before tax of RMB 5.1 million (equivalent to S$1.0 million). If the acquisition had occurred on 1 January 2013, management estimates that the revenue arising from the discontinued operations for the period ended 31 October 2013 would have been S$0.52 million (equivalent to RMB 2.5 million) and a loss before tax of RMB 5.4 million (equivalent to S$1.1 million). In determining these amounts, management has assumed the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2013.

On 30 November 2013, the Company announced the disposal of the entire equity interests in West Themes and YLG back to Yess Management International Pte. Ltd, a company owned by the Vendor for a consideration of S$2.5 million. The initial upfront payment of S$1 million was set-off against the remaining consideration of S$1.0 million payable to the Vendor as mentioned in the preceding paragraph. As stipulated in the Sale and Purchase Agreement, the outstanding purchase consideration receivable amounting to RMB 7.2 million (equivalent to S$1.5 million) will be received in 2 tranches within the next 18 months (with the first tranche of RMB 4.8 million (equivalent to S$1 million within the next 12 months, i.e. 30 November 2014) and RMB 2.4 million (equivalent to S$0.5 million) by May 2015.

Acquisition of Trechance

On 29 October 2013, the Group completed the acquisition of the entire issued and paid-up share capital of Trechance for a consideration of RMB 22.5 million. In the two months to 31 December 2013, Trechance Group contributed revenue of RMB 61.1 million and a profit before tax of RMB 10.4 million. If the acquisition had occurred on 1 January 2013, management estimates that consolidated revenue would have been RMB 299.2 million; and consolidated profit for the financial year ended 31 December 2013 would have been RMB 120.9 million. In determining these amounts, management has assumed the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2013.

22 Acquisitions and disposals of subsidiaries (cont'd)

Acquisition of Xin Long

In the previous financial year, the Group acquired the entire registered capital of Daqing Xin Long Chemical Company Ltd from the shareholders of XL for a cash consideration of RMB 43.1 million. The acquisition of XL was in line with the proposed divestment of the Group's titanium dioxide business as announced on 22 December 2011.

The following summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Considerations transferred

	West Themes and YLG RMB'000	Trechance Group RMB'000	Total RMB'000
Cash	5,096	-	5,096
Issuance of 289 million consideration shares issued (Note11)	13,117	-	13,117
Issue of 5% bond due in FY 2015	-	17,337	17,337
Issue of 5% bond due in FY 2016	8,857	-	8,857
Accrued consideration payable	5,096	5,163	10,259
Total consideration payable	32,166	22,500	54,666
Consideration paid to date	(5,096)	-	(5,096)
Cash at bank of subsidiaries acquired, net	1,733	20,179	21,912
Cash inflow on acquisitions, net	(3,363)	20,179	16,816

Following the disposal of West Themes and YLG back to the same Vendor as disclosed in Note 5 to the financial statements, the 5% bond with a principal amount of S$2 million (equivalent to RMB 8.9 million), due in FY 2016 was cancelled. In addition, the accrued consideration payable of RMB 5.09 million was set-off against the consideration receivable from the Vendor as disclosed in Note 8 to the financial statements.

Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 17 April 2013 of S$0.009 per share.

22 Acquisitions and disposals of subsidiaries (cont'd)

Identifiable assets acquired and liabilities assumed for 2013 acquisitions

	2013		
	West Themes and YLG	Trechance Group	Total
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	7,455	77,470	84,925
Investment property	4,322	-	4,322
Other long term receivables	-	186,904	186,904
Land for development	-	4,257	4,257
Development properties held for sale	-	202,552	202,552
Trade and other receivables and prepayments	4,975	292,197	297,172
Cash and cash equivalents	1,733	20,179	21,912
Trade and other payables	(1,897)	(412,143)	(414,040)
Deposits placed by customers on purchase of development properties	-	(326,505)	(326,505)
Finance lease liabilities	(66)	-	(66)
Current tax payable	(604)	(22,411)	(23,015)
Deferred tax liabilities	(1,086)	-	(1,086)
Financial liabilities	(203)	-	(203)
Total identifiable net assets	14,629	22,500	37,129

Identifiable assets acquired and liabilities assumed for 2012 acquisition:

	2012
	RMB'000
Plant and equipment	78,015
Intangible assets	1,023
Inventories	5,148
Trade and other receivables	47,680
Cash and cash equivalents	47,834
Trade and other payables	(54,616)
Financial liabilities	(45,000)
Total identifiable net assets	80,084

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amount for provisions, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

22 Acquisitions and disposals of subsidiaries (cont'd)

Goodwill

Goodwill was recognised as a result of the acquisitions as follows:

	2013		
	West Themes and YLG RMB'000	Trechance Group RMB'000	Total RMB'000
Total consideration transferred	32,166	22,500	54,666
Fair value of identifiable net assets	(14,629)	(22,500)	(37,129)
Goodwill on acquisition	17,537	-	17,537

Negative goodwill:

Negative goodwill was recognised as a result of the acquisition of XinLong in FY 2012 as follows:

	2012 RMB'000
Total consideration transferred	43,069
Fair value of identifiable net assets acquired	(80,084)
Negative goodwill	(37,015)
Economic rights previously acquired written off (Note 10)	35,841
Negative goodwill, net included in discontinued operations (Note 10)	(1,174)

	2012 RMB'000
Total consideration transferred, including processing fees for credit facility granted	43,396
Less: cash acquired	(47,834)
Acquisition of subsidiary, net of cash acquired as disclosed in the consolidated cash flow statement	(4,438)

Acquisition- related costs

In the current year, the Group incurred acquisition-related costs of RMB 4.23 million (2012: RMB 1.14 million) related to external legal fees, audit fees and due diligence costs. The professional fees have been included in administrative expenses in the Group's statement of comprehensive income.

22 Acquisitions and disposals of subsidiaries (cont'd)

Disposal of West Themes and YLG and completion of disposal of Disposal Group held for sale

The attributable net assets of subsidiaries disposed off during the year are as follows:-

	2013		
	West Themes and YLG RMB'000	Disposal Group held for sale RMB'000	Total RMB'000
Non-current assets	11,641	-	11,641
Goodwill on acquisition	17,537	-	17,537
Current assets	3,535	-	3,535
Disposal group classified as held for sale	-	149,287	149,287
Current liabilities	(4,506)	-	(4,506)
Non-current liabilities	(1,094)	-	(1,094)
Liabilities associated with Disposal Group classified as held for sale	-	(54,572)	(54,572)
Non-controlling interests	-	(13,012)	(13,012)
	27,113	81,703	108,816
Cancellation of 5% bond due in FY 2016	(9,473)	-	(9,400)
Gain/(loss) on disposal	(5,320)	98,297	92,977
Total consideration receivable	12,320	180,000	192,393
Less: Set-off upfront payment of S$1 million against initial purchase consideration on date of acquisition	(5,096)	-	(5,169)
Less: Consideration receivables as disclosed in Note 8	(7,224)	(180,000)	(187,224)
Net cash at bank of subsidiaries disposed off	(496)	(105)	(601)
Cash outflow on disposals of subsidiaries	(496)	(105)	(601)

23 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, plant and equipment

The fair value of property, plant and equipment, mainly comprising of car park lots, recognised as a result of business combination is the estimated amount for which a property, could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and willingly. The fair value of property, plant and equipment is based on cost approaches using replacement cost when appropriate. Depreciated replacement cost estimates reflect adjustments for physical deterioration as well as functional and economic obsolescence.

(b) Development properties held for sale

The fair value of development properties held for sale acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the development properties.

23 Determination of fair values (cont'd)

(c) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(d) Non-derivative financial liabilities

The fair value of non-derivative financial liabilities, which is determined for measurement upon acquisition and disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the acquisition date.

24 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were no significant transactions between the Company and its related parties.

25 Commitments

25.1 Capital commitment

The Group and the Company	**2013** **RMB'000**	2012 RMB'000
Capital expenditure contracted but not provided for in the financial statements	**118,000**	-

Based on the supplementary agreement entered with 贵州省贵阳市开阳县人民政府 (the "Authority") dated 24 November 2011, Guizhou Shengxiang is required to pay RMB 118 million to the Authority based on RMB 100,000 per acre for the development of the land. The project comprises the construction of 低碳木业园 project and 旅游地产和生态风情园, covering an area of 450 acres and 730 acres of land respectively. Based on the agreement, the Authority will refund the tax collected from Guizhou Shengxiang for the first 3 years and 50% of the tax collected in the subsequent two years.

25.2 Operating lease commitments (non-cancellable)

At the end of the reporting period, the Group and the Company were committed to making the following payments in respect of non-cancellable operating leases of office premises with an original term of more than one year:

	The Group		**The Company**	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Not later than one year	**283**	257	**204**	257
Later than one year and not later than five years	**60**	129	**60**	129
	343	386	**264**	386

The leases on the Group's and the Company's office premises on which rentals are payable will expire on 30 June 2014.

26 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments:

(i) Property development – relates to the development of properties for sale in the People's Republic of China

(ii) Asset management – relates to the asset management business in Singapore, classified as disposal group held-for-sale

(iii) Trading – relates to the trading, marketing and distribution of titanium dioxide related products, classified as disposal group held-for-sale

(iv) Corporate – comprises Corporate Office which incurs general corporate expenses and inactive entities in the Group

The Group accounts for inter-segment transactions on terms agreed between parties. Inter-segment transactions comprising advances between segments are eliminated on consolidation.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the consolidated statement of comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire plant and equipment directly attributable to a segment.

The Executive Director ("ED") monitors the operating results of the operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the ED. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

26 Operating segments (cont'd)

The Group	Property development 2013 RMB'000	Property development 2012 RMB'000	Trading and asset management (Discontinued) 2013 RMB'000	Trading and asset management (Discontinued) 2012 RMB'000	Corporate 2013 RMB'000	Corporate 2012 RMB'000	Eliminations 2013 RMB'000	Eliminations 2012 RMB'000	Total 2013 RMB'000	Total 2012 RMB'000
Segment revenue	**61,133**	-		-		-	-	-	**61,133**	-
Results										
Segment profit/(loss)	**12,952**	-	**86,264**	(34,846)	**(29,846)**	(25,003)	-	-	**69,370**	(59,849)
Interest income	-	-	-	-	**9,936**	252	-	-	**9,936**	252
Profit/ (Loss) before taxation	**12,952**	-	**86,264**	(34,846)	**(19,910)**	(24,751)	-	-	**79,306**	(59,597)
Taxation	**(3,238)**	-	-	-	-	-	-	-	**(3,238)**	-
Profit/ (Loss) for the period	**9,714**	-	**86,264**	(34,846)	**(19,910)**	(24,751)	-	-	**76,068**	(59,597)
Attributable to:										
Owners of the Company	**9,714**	-	**86,264**	(34,791)	**(19,910)**	(24,751)	-	-	**76,068**	(59,542)
Non-controlling interests	-	-	-	(55)	-	-	-	-	-	(55)
	9,714	-	**86,264**	(34,846)	**(19,910)**	(24,751)	-	-	**76,068**	(59,597)
Assets and liabilities										
Segment assets	**490,401**	-	-	147,975	**229,846**	68,879	-	-	**720,247**	216,854
Segment liabilities	**398,214**	-	-	93,840	**88,589**	5,462	-	-	**486,803**	99,302
Capital expenditure and significant non-cash items										
Amortisation of intangible assets	-	-	-	-	**22**	30	-	-	**22**	30
Capital expenditure										
- property, plant and equipment	**287**	-	-	63,221	-	7	-	-	**287**	63,228
Depreciation of property, plant and equipment	**977**	-	**360**	-	-	11	-	-	**1,337**	11
(Gain)/ Loss on disposal/ deregistration of subsidiaries	-	-	**(92,977)**	-	-	4,296	-	-	**(92,977)**	4,296
Loss on disposal of plant and equipment	-	-	**65**	-	-	-	-	-	**65**	-
Operating lease expenses	-	-	**2,823**	-	**601**	363	-	-	**3,424**	363
Value of employee services received for grant of:										
- remuneration shares	-	-	-	-	**1,689**	1,011	-	-	**1,689**	1,011
- share options	-	-	-	-	**2,138**	1,365	-	-	**2,138**	1,365

27 Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group has established a credit policy under which the creditworthiness of each new customer is evaluated individually before the Group grants credit to the customer. Credit limits are established for each customer, which represents the maximum open amount without requiring approval from the directors. Payments will be required to be made upfront by customers which do not meet the Group's credit requirements.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, so that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

The Group evaluates whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Amount not paid after the credit period granted will be considered past due. The credit terms granted to customers are based on the Group's assessment of their creditworthiness and in accordance with the Group's policy.

In determining the recoverability of trade and other receivables, the Group considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

27 Financial risk management objectives and policies (cont'd)

27.1 Credit risk (cont'd)

<u>Exposure to credit risk</u>

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's major classes of financial assets are bank deposits and receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 6.

27.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's financial liabilities comprising trade and other payables with contractual undiscounted cash flows approximating the carrying amount mature in less than one period. Nevertheless, the Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group maintains sufficient level of cash and cash equivalents to meet its working capital requirements.

27.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its bank balances at floating rates which are contractually repriced at intervals of less than 6 months (2012: less than 6 months) from the end of the reporting period. Fixed deposits bear interest at fixed rates. All other financial assets and liabilities are interest-free. Therefore, impact from changes in interest rates is minimal.

The Group's policy is to obtain the most favourable interest rates available without increasing its interest rate exposure.

27.4 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has transactional currency exposures arising from transactions that are denominated in a currency other than the respective functional currencies of group entities, namely Renminbi and Singapore dollar. The foreign currencies in which these transactions are denominated are primarily Singapore dollar and United States dollar. The Group's receivable and payable balances at the end of the reporting period have similar exposures.

The Group also holds cash and cash equivalents denominated in Singapore dollar and United States dollar for working capital purposes.

27 Financial risk management objectives and policies (cont'd)

27.4 Foreign currency risk (cont'd)

Consequently, the Group is exposed to movements in foreign currency exchange rates. However, the Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

The Group's and the Company's exposures in financial instruments to the various foreign currencies are mainly as follows:

The Group	Hong Kong dollar RMB'000	Singapore dollar RMB'000	United States dollar RMB'000
2013			
Trade and other receivables (Note 8)	**-**	**12,214**	**105**
Cash and cash equivalents (Note 9)	**5,428**	**21,974**	**30**
Trade and other payables (Note 13)	**(5,437)**	**(10,771)**	**-**
Net exposure	**(9)**	**23,417**	**135**
2012			
Trade and other receivables (Note 8)	-	2,576	-
Cash and cash equivalents (Note 9)	-	5,921	60,320
Trade and other payables (Note 13)	-	(5,462)	-
Net exposure	-	3,035	60,320

The Company	Hong Kong dollar RMB'000	Singapore dollar RMB'000	United States dollar RMB'000
2013			
Trade and other receivables (Note 8)	**-**	**15,097**	**-**
Cash and cash equivalents (Note 9)	**-**	**21,974**	**-**
Trade and other payables (Note 13)	**-**	**(8,123)**	**-**
Net exposure	**-**	**28,948**	**-**
2012			
Trade and other receivables (Note 8)	-	2,576	-
Cash and cash equivalents (Note 9)	-	5,921	60,320
Trade and other payables (Note 13)	-	(5,462)	-
Net exposure	-	3,035	60,320

27 Financial risk management objectives and policies (cont'd)

27.4 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Singapore dollar (SGD) and United States dollar (USD) exchange rates (against Renminbi), with all other variables held constant, of the Group's and the Company's profit net of tax and equity.

		2013	2012
The Group		RMB'000	RMB'000
SGD	- strengthened 5% (2012 - 5%)	1,171	152
	- weakened 5% (2012 - 5%)	(1,171)	(152)
USD	- strengthened 5% (2012 - 5%)	7	3,016
	- weakened 5% (2012 - 5%)	(7)	(3,016)
The Company			
SGD	- strengthened 5% (2012 - 5%)	1,447	152
	- weakened 5% (2012 - 5%)	(1,447)	(152)
USD	- strengthened 5% (2012 - 5%)	-	3,016
	- weakened 5% (2012 - 5%)	-	(3,016)

27.5 Market price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Group does not hold any quoted or marketable financial instruments, hence, is not exposed to any movement in market prices.

28 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;
(b) To support the Group's stability and growth;
(c) To provide capital for the purpose of strengthening the Group's risk management capability; and
(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

There were no changes in the Group's approach to capital management during the financial period.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

29 Financial instruments

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one period is assumed to approximate their fair values.

However, the Group does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one period, comprising trade and other receivables, cash and cash equivalents, and trade and other payables, are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

30 Subsequent event

On 14 February 2014, the Board announced that the Company has entered into subscription agreements with (i) Sinowealth Capital Limited, (ii) Jadeite Capital and (iii) Mr. Christopher Chong Meng Tak (collectively known as the "Subscribers"). Pursuant to the terms of the Subscription Agreements, the Company proposes to raise the sum of S$4.6 million by issuing an aggregate of 1,277,777,777 new shares in the share capital of the Company to the Subscribers at an issue price of S$0.0036 for each subscription share, with 1,277,777,777 free detachable unlisted warrants on the basis of one free warrant for every one subscription share. Each warrant shall carry the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.0036. On 16 May 2014, the Company received the listing and quotation notice from Singapore Exchange Securities Trading Limited.

STATISTICS OF SHAREHOLDINGS

As at 8 May 2014

Issued share capital	:	S$83,219,611.408
No. of issued and fully paid-up shares	:	6,689,005,031
Class of shares	:	Ordinary share

Voting rights attached to shares

On show of hands	:	One vote per shareholder
On poll	:	One vote per share
Treasury Shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	287	3.45	43,305	0.00
1,000 - 10,000	814	9.78	5,183,806	0.08
10,001 - 1,000,000	6,227	74.84	1,571,872,202	23.50
1,000,001 and above	993	11.93	5,111,905,718	76.42
Total	8,321	100.00	6,689,005,031	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Maybank Kim Eng Securities Pte Ltd	771,583,910	11.54
2	Lee Eng Yew	181,962,000	2.72
3	Soh Chun Bin (Su Chunbin)	100,000,000	1.50
4	Zhao Yanshi	98,963,000	1.48
5	United Overseas Bank Nominees Pte Ltd	96,724,616	1.45
6	DBS Nominees Pte Ltd	96,106,530	1.44
7	Phillip Securities Pte Ltd	93,504,613	1.40
8	UOB Kay Hian Pte Ltd	78,606,506	1.18
9	Teo Ee Seng	62,500,000	0.93
10	Samuel Ng Chee Yong (Samuel Wu Zhiyong)	57,465,000	0.86
11	Xia Zheng	53,659,500	0.80
12	Wong Han Yew	52,437,000	0.78
13	OCBC Securities Private Ltd	44,471,791	0.66
14	Ong Boon Kheng	42,406,875	0.63
15	OCBC Nominees Singapore Pte Ltd	42,113,519	0.63
16	Chua Yew Chong	35,000,000	0.52
17	Raffles Nominees (Pte) Ltd	34,409,500	0.51
18	Ho Yeng Pew	29,300,000	0.44
19	Citibank Nominees Singapore Pte Ltd	28,649,000	0.43
20	Hon Che Cheng	28,036,666	0.42
	Total:	2,027,900,026	30.32

STATISTICS OF SHAREHOLDINGS
As at 8 May 2014

As at 8 May 2014 (as shown in the Company's register of Substantial Shareholders)

Name	Number of Shares Held as Direct	%	Number of Shares Held as Deemed	%
Blessed Forever Ltd	-	-	288,741,052[1]	4.31
Mr Zhao Yanshi	141,053,000	2.11	288,741,052[1]	4.31

Blessed Forever Ltd hold 208,741,052 shares (4.43%) through its nominee Maybank Kim Eng Securities Pte. Ltd. Mr Zhao Yanshi holds the entire equity interest in Blessed Forever Ltd and is thus deemed to be interested in the 208,741,052 shares held through its nominee Maybank Kim Eng Securities Pte. Ltd.

Public Shareholdings

Based on the information available to the Company as at 8 May 2014, approximately 93.58% of the Company's issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B : Rules of Catalist issued by SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

CEDAR STRATEGIC HOLDINGS LTD.
(Co Registration No: 198003839Z)

To All Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders ("**Shareholders**") of **CEDAR STRATEGIC HOLDINGS LTD.** (the "**Company**") will be held at 20, Havelock Road, Central Square Level 2, Conference Room 1, Singapore 059765, on Saturday, 14 June 2014 at 10.30 a.m. to transact the following businesses:

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2013 and the Auditors' Report thereon. **Resolution 1**

2. (a) To re-elect Mr Azman Hisham Bin Jaafar as Director, who shall retire pursuant to Article 87 of the Company's Articles of Association. **Resolution 2a**

   (b) To re-elect Mr Chua Cheow Khoon, Michael as Director, who shall retire pursuant to Article 87 of the Company's Articles of Association. **Resolution 2b**

{See Explanatory Note (1)}

   (c) To re-elect Mr Tay Hun Kiat as Director, who shall retire pursuant to Article 94 of the Company's Articles of Association. **Resolution 2c**

{See Explanatory Note (2)}

3. To approve the payment of the proposed directors' fees of up to S$360,000 to be paid quarterly in arrears for the financial year ending 31 December 2014. **Resolution 3**

4. To approve the payment of the proposed directors' fees of up to S$500,000 to be paid quarterly in arrears for the financial year ending 31 December 2015 **Resolution 4**

5. To re-appoint Foo Kon Tan Grant Thornton LLP as Auditors of the Company and to authorise the Directors to fix its remuneration. **Resolution 5**

6. To transact any other business which may be properly transacted at an Annual General Meeting.

Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited ('SGX-ST")**

   That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors to issue:

   (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and,

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provision of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company.

{See Explanatory Note (3)} **Resolution 6**

8. **Mandate to Directors to issue Shares under CSH Employee Share Option Scheme**

That approval be and is hereby given to the Directors to offer and grant options over ordinary shares in the Company in accordance with the provisions of the CSH Employee Share Option Scheme (the "**Scheme**"); and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the capital of the Company (the "**Scheme Shares**") as may be required to be issued pursuant to the exercise of the options that may be granted under the Scheme provided always that the aggregate number of the Scheme Shares (excluding treasury shares) available under the Scheme shall not exceed 15% of the total issued share capital of the Company from time to time, as determined in accordance with the provisions of the Scheme.

{See Explanatory Note (4)} **Resolution 7**

By Order of the Board

Ong Beng Hong and Tan Swee Gek
Joint Secretaries
Singapore
30 May 2014

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(1) Ordinary Resolutions 2 (a) and 2 (b) - To re-elect Mr Azman Hisham Bin Jaafar and Mr Chua Cheow Khoon Michael as Directors, who shall retire pursuant to Article 87 of the Articles of Association of the Company

If re-elected, Mr Azman Hisham Bin Jaafar will remain as an Independent Director, Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nominating & Corporate Governance Committee.

If re-elected, Mr Chua Cheow Khoon Michael will remain as an Independent Director, Chairman of the Audit Committee and a member of each of the Nominating & Corporate Governance Committee and the Remuneration Committee.

(2) Ordinary Resolution 2 (c) – To re-elect Mr Tay Hun Kiat as a Director, who shall retire pursuant to Article 94 of the Articles of Association of the Company

If re-elected, Mr Tay Hun Kiat will remain as an Independent Director, Chairman of the Nominating & Corporate Governance Committee and a member of each of the Remuneration Committee and Audit Committee.

(3) Ordinary Resolution 6 – Authority to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual – Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited ('SGX-ST")

The Ordinary Resolution 6 proposed in item 7 above, if passed, will authorise the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of shares awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(4) Ordinary Resolution 7 – Mandate to Directors to issue Shares under CSH Employee Share Option Scheme

Ordinary Resolution 7 proposed in item 8 above is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme provided that the aggregate number of shares to be issued under the Scheme, when aggregated with shares to be issued under any other existing share schemes of the Company does not exceed 15% of the total number of shares issued by the Company, excluding treasury shares, if any, from time to time. The Scheme was first approved by the Shareholders at the Extraordinary General Meeting held on 21 August 2009 and subsequently renewed by the Shareholders at the Annual General Meetings held on 28 January 2010, 28 January 2011, 12 January 2012 and 10 April 2013. Details of the Scheme may also be found in the Circular to Shareholders dated 29 July 2009.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

(1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(2) If a proxy is to be appointed, the form must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758, not less than 48 hours before the meeting.

(3) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.

(4) In the case of joint shareholders, all holders must sign the form of proxy.

This notice 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 Singapore Exchange Securities Trading Limited (the SGX-ST). The Company's Sponsor has not independently verified the contents of this notice.

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

The contact person for the Company's Sponsor is Mr Ng Joo Khin
(Tel: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg).

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PROXY FORM

CEDAR STRATEGIC HOLDINGS LTD.

Company Registration Number: 198003839Z
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy ordinary shares in the capital of Cedar Strategic Holdings Ltd., this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their request through their respective CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ______________________________

of ______________________________

being a member/members of Cedar Strategic Holdings Ltd. (the "**Company**") hereby appoint Mr/Mrs/Ms

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)
and/or (delete as appropriate)			

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at **20 Havelock Road, Central Square Level 2, Conference Room 2, Singapore 059765** on **Saturday, 14 June 2014** at **10.30 a.m.** I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	**Resolutions Relating To:**	**For**	**Against**	**Abstain***
	Ordinary Business			
1.	To adopt the Directors' Report, Audited Financial Statements and Auditors' Report			
2a.	To re-elect Mr Azman Hisham Bin Jaafar as Director			
2b.	To re-elect Mr Chua Cheow Khoon Michael as Director			
2c.	To re-elect Mr Tay Hun Kiat as Director			
3.	To approve Directors' Fees to be paid quarterly in arrears for the year ending 31 December 2014.			
4.	To approve Directors' Fees to be paid quarterly in arrears for the year ending 31 December 2015.			
5.	To re-appoint Foo Kon Tan Grant Thornton LLP as Auditors of the Company			
	Special Business			
6.	To approve the Share Issue Mandate			
7.	To authorise the Directors to allot and issue shares pursuant to the CSH Employee Share Option Scheme			

* Please indicate your vote "For" or "Against" or Abstain" with a "X" in the appropriate box provided.

Dated this ____________ day of __________________ 2014.

Register	Number of Shares Held
1) CDP Register	
2) Register of Members	

____

Signature of Shareholder(s) or Common Seal

Important: Please read notes overleaf

Fold Here

Affix Stamp

Office of the Share Registrar
Cedar Strategic Holdings Ltd.
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

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Notes:

1. Please insert the total number of shares registered in your name. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If the number of shares is not inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy/proxies must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758 not less than 48 hours before the time set for the Annual General Meeting or any postponement or adjournment thereof.
5. The instrument appointing a proxy/proxies shall be in writing under the hand of the appointor or of his attorney, or if such appointor is a corporation, under its common seal or under the hand of its officer or attorney, duly authorised in writing.
6. A corporation, which is a member, may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General

The Company shall be entitled to reject the instrument appointing a proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy/proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy/proxies if such members are not shown to have Shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

CEDAR STRATEGIC HOLDINGS LTD.

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