

**Financial Statement Announcement for Third Quarter ended 30 September 2014**

**Part 1**

**INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2, Q3 AND Q4), HALF-YEAR AND FULL YEAR RESULTS**

**1 (a) (i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|  | Group                             |                                   |                         | Group                             |                                   |                         |
|--|-----------------------------------|-----------------------------------|-------------------------|-----------------------------------|-----------------------------------|-------------------------|
|  | 3rd Qtr<br>Qtr Ended<br>30/9/2014 | 3rd Qtr<br>Qtr Ended<br>30/9/2013 | Increase/<br>(Decrease) | YTD 3rd<br>Qtr Ended<br>30/9/2014 | YTD 3rd<br>Qtr Ended<br>30/9/2013 | Increase/<br>(Decrease) |
|  | RMB '000                          | RMB '000                          | %                       | RMB '000                          | RMB '000                          | %                       |
| <b>Revenue</b>                         | <b>125,400</b>                    | <b>675</b>                        | <b>n.m.*</b>            | <b>170,669</b>                    | <b>1,682</b>                      | <b>n.m.*</b>            |
| Direct Cost                            | (79,083)                          | (1,229)                           | n.m.*                   | (110,690)                         | (3,261)                           | n.m.*                   |
| <b>Gross Profit/(Loss)</b>             | <b>46,317</b>                     | <b>(554)</b>                      | <b>n.m.</b>             | <b>59,979</b>                     | <b>(1,579)</b>                    | <b>n.m.</b>             |
| Other Income                           | 4,591                             | 2,518                             | 82%                     | 13,553                            | 5,576                             | n.m.*                   |
| Distribution Expenses                  | (118)                             | (88)                              | 34%                     | (342)                             | (383)                             | (11%)                   |
| Administration Expenses                | (6,050)                           | (6,367)                           | (5%)                    | (19,192)                          | (17,936)                          | 7%                      |
| Other Operating Expenses               | -                                 | (3)                               | n.m.                    | -                                 | (3)                               | n.m.                    |
| Finance Cost                           | (152)                             | (125)                             | 22%                     | (610)                             | (356)                             | 71%                     |
| <b>Profit/(Loss) before income tax</b> | <b>44,588</b>                     | <b>(4,619)</b>                    | <b>n.m.</b>             | <b>53,588</b>                     | <b>(14,681)</b>                   | <b>n.m.</b>             |
| Income Tax                             | -                                 | -                                 | -                       | -                                 | -                                 | -                       |
| <b>Profit/(Loss) for the period</b>    | <b>44,588</b>                     | <b>(4,619)</b>                    | <b>n.m.</b>             | <b>53,588</b>                     | <b>(14,681)</b>                   | <b>n.m.</b>             |
| Non-Controlling Interests              | -                                 | -                                 | -                       | -                                 | -                                 | -                       |

n.m. : not meaningful  
 \*: in excess of 100%

**1 (a) (ii) Included in the determination of (loss)/profit before taxation are the following items:**

|  | Group                       |                                |                         | Group                              |                                |                         |
|--|-----------------------------|--------------------------------|-------------------------|------------------------------------|--------------------------------|-------------------------|
|  | 3rd Qtr Ended<br>30/09/2014 | 3rd Qtr<br>Ended<br>30/09/2013 | Increase/<br>(Decrease) | YTD 3rd Qtr<br>Ended<br>30/09/2014 | 3rd Qtr<br>Ended<br>30/09/2013 | Increase/<br>(Decrease) |
|  | RMB'000                     | RMB'000                        | %                       | RMB'000                            | RMB'000                        | %                       |
| Amortisation of intangible assets              | -                           | (21)                           | n.m.                    | (2)                                | (58)                           | (97%)                   |
| Depreciation of plant & equipment              | (1,426)                     | (112)                          | n.m.*                   | (3,739)                            | (1,527)                        | n.m.*                   |
| Equity-settled share-based payment transaction | -                           | (1,689)                        | n.m.                    | -                                  | (1,689)                        | n.m.                    |
| Exchange (loss)/gain, net                      | (471)                       | (382)                          | 23%                     | (431)                              | (476)                          | (9%)                    |
| Interest Income                                | 4,537                       | 2,522                          | 80%                     | 13,466                             | 6,070                          | n.m.*                   |

**A statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | Group                       |                                |                         | Group                              |                                |                         |
|---|-----------------------------|--------------------------------|-------------------------|------------------------------------|--------------------------------|-------------------------|
|   | 3rd Qtr Ended<br>30/09/2014 | 3rd Qtr<br>Ended<br>30/09/2013 | Increase/<br>(Decrease) | YTD 3rd Qtr<br>Ended<br>30/09/2014 | 3rd Qtr<br>Ended<br>30/09/2013 | Increase/<br>(Decrease) |
|   | RMB'000                     | RMB'000                        | %                       | RMB'000                            | RMB'000                        | %                       |
| <b>Profit/(Loss) for the period</b>                         | <b>44,588</b>               | <b>(4,619)</b>                 | <b>n.m.</b>             | <b>53,388</b>                      | <b>(14,681)</b>                | <b>n.m.</b>             |
| <b>Other Comprehensive income</b>                           |                             |                                |                         |                                    |                                |                         |
| Currency translation differences arising from consolidation |                             |                                |                         |                                    |                                |                         |
| - Profit/(losses)   | -                           | -                              | -                       | -                                  | -                              | -                       |
| - reclassification  | -                           | -                              | -                       | -                                  | -                              | -                       |
| <b>Total Comprehensive Income for the period</b>            | <b>44,588</b>               | <b>(4,619)</b>                 | <b>n.m.</b>             | <b>53,388</b>                      | <b>(14,681)</b>                | <b>n.m.</b>             |

n.m. not meaningful  
 \* : in excess of 100%

**CEDAR STRATEGIC HOLDINGS LTD.**  
**Company Registration No. 198003839Z**

**1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>30-Sep-14</b> | <b>31-Dec-13</b> | <b>30-Sep-14</b> | <b>31-Dec-13</b> |
|   | RMB'000          | RMB'000          | RMB'000          | RMB'000          |
| <b>ASSETS</b>   |                  |                  |                  |                  |
| <b>Non-Current</b>  |                  |                  |                  |                  |
| Intangible Assets   | -                | 2                | -                | 2                |
| Property, Plant and Equipment                               | 73,061           | 76,497           | 244              | 24               |
| Investments in Subsidiaries                                 | -                | -                | 22,500           | 22,500           |
| Trade and Other Receivables                                 | 188,526          | 192,320          | 198,747          | 192,320          |
| <b>Total Non-Current Assets</b>                             | <b>261,587</b>   | <b>268,819</b>   | <b>221,491</b>   | <b>214,846</b>   |
| <b>Current Assets</b>                                       |                  |                  |                  |                  |
| Development properties                                      | 65,718           | 164,625          | -                | -                |
| Land for development  | 4,257            | 4,257            | -                | -                |
| Trade and Other Receivables                                 | 277,131          | 248,125          | 32,225           | 15,097           |
| Cash and Cash Equivalents                                   | 12,944           | 34,421           | 2,222            | 22,004           |
|   | <b>360,050</b>   | <b>451,428</b>   | <b>34,447</b>    | <b>37,101</b>    |
| <b>Total Assets</b>   | <b>621,637</b>   | <b>720,247</b>   | <b>255,938</b>   | <b>251,947</b>   |
| <b>Equity</b>   |                  |                  |                  |                  |
| <b>Capital and Reserves :</b>                               |                  |                  |                  |                  |
| Share Capital   | 486,068          | 462,913          | 486,068          | 462,913          |
| Capital Reduction Reserve                                   | 79,151           | 79,151           | 79,151           | 79,151           |
| Statutory Common Reserve                                    | 971              | 971              | -                | -                |
| Share Option Reserve  | 2,134            | 2,587            | 2,134            | 2,587            |
| Foreign Currency Translation Reserve                        | 26,760           | 26,760           | 26,760           | 26,760           |
| Accumulated Profit/(Losses)                                 | (285,642)        | (338,938)        | (342,393)        | (345,149)        |
| <b>Equity attributable to equity holders of the Company</b> | <b>309,442</b>   | <b>233,444</b>   | <b>251,720</b>   | <b>226,262</b>   |
| Non-Controlling Interests                                   | -                | -                | -                | -                |
| <b>Total Equity</b>   | <b>309,442</b>   | <b>233,444</b>   | <b>251,720</b>   | <b>226,262</b>   |

**CEDAR STRATEGIC HOLDINGS LTD.**  
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**1 (b) (i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year .... (cont...)**

|                                       | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---------------------------------------|------------------|------------------|------------------|------------------|
|                                       | <b>30-Sep-14</b> | <b>31-Dec-13</b> | <b>30-Sep-14</b> | <b>31-Dec-13</b> |
|                                       | <b>RMB'000</b>   | <b>RMB'000</b>   | <b>RMB'000</b>   | <b>RMB'000</b>   |
| <b>Liabilities</b>                    |                  |                  |                  |                  |
| <b>Current Liabilities</b>            |                  |                  |                  |                  |
| Trade and Other Payables              | 273,277          | 443,816          | 4,218            | 8,348            |
| Provision for Taxation                | 38,918           | 25,650           | -                | -                |
| Borrowings                            | -                | 17,337           | -                | 17,337           |
| <b>Total Current Liabilities</b>      | <b>312,195</b>   | <b>486,803</b>   | <b>4,218</b>     | <b>25,685</b>    |
| <b>Total Liabilities</b>              | <b>312,195</b>   | <b>486,803</b>   | <b>4,218</b>     | <b>25,685</b>    |
| <b>Total Equities and Liabilities</b> | <b>621,637</b>   | <b>720,247</b>   | <b>255,938</b>   | <b>251,947</b>   |

**1 (b) (ii) Aggregate amount of group's borrowings and debt securities**

|   | <b>Group</b>     |                  | <b>Group</b>     |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>30-Sep-14</b> |                  | <b>31-Dec-13</b> |                  |
|   | <b>Secured</b>   | <b>Unsecured</b> | <b>Secured</b>   | <b>Unsecured</b> |
|   | <b>RMB'000</b>   | <b>RMB'000</b>   | <b>RMB'000</b>   | <b>RMB'000</b>   |
| <b>Amount repayable in one year or less, or on demand</b> |                  |                  |                  |                  |
| Convertible Bonds   | -                | -                | -                | 17,337           |
|   | -                | -                | -                | 17,337           |

The Group does not have any borrowings/debt securities that are repayable in one year or less, or on demand.

**Details of any collateral**

Not Applicable

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**1 (c) A Cash Flow Statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|   | Group                    |                         | Group                        |                             |
|---|--------------------------|-------------------------|------------------------------|-----------------------------|
|   | 3rd Qtr Ended 30/09/2014 | 3rd Qtr Ended 30/9/2013 | YTD 3rd Qtr Ended 30/09/2014 | YTD 3rd Qtr Ended 30/9/2013 |
|   | RMB '000                 | RMB '000                | RMB '000                     | RMB '000                    |
| <b>Cash Flows from Operating Activities</b>   |                          |                         |                              |                             |
| Profit/(Loss) before taxation   | 45,588                   | (4,619)                 | 53,388                       | (14,681)                    |
| Adjustments for :   |                          |                         |                              |                             |
| Equity settled Share-based payments   | -                        | 1,689                   | -                            | 1,689                       |
| Amortisation of Intangible Assets   | -                        | (10)                    | 2                            | 16                          |
| Depreciation of Plant and Equipment   | 1,426                    | 101                     | 3,739                        | 1,527                       |
| Depreciation of investment properties   | -                        | 16                      | -                            | 42                          |
| Exchange Differences  | -                        | (3,034)                 | -                            | (3,320)                     |
| Other taxes   | 8,397                    | (521)                   | 13,263                       | (521)                       |
| Interest Income   | (4,537)                  | (2,521)                 | (13,466)                     | (6,070)                     |
| Operating profit/(loss) before Working Capital changes                                  | 49,874                   | (8,899)                 | 56,926                       | (21,318)                    |
| Trade and Other Receivables   | 2,596                    | (8,092)                 | (11,745)                     | (5,538)                     |
| Trade and Other Payables  | (110,658)                | 13,448                  | (153,202)                    | 10,692                      |
| Development Properties  | 70,537                   | -                       | 98,907                       | -                           |
| Cash generated from/(used in) operations  | 12,349                   | (3,543)                 | (9,114)                      | (16,164)                    |
| Income Tax paid   | -                        | -                       | -                            | -                           |
| <b>Net Cash generated from/(used in) Operating Activities</b>                           | <b>12,349</b>            | <b>(3,543)</b>          | <b>(9,114)</b>               | <b>(16,164)</b>             |
| <b>Cash Flows from Investing Activities</b>   |                          |                         |                              |                             |
| Interest Received   | -                        | -                       | -                            | -                           |
| Purchase of Plant and Equipment   | -                        | (280)                   | (298)                        | (280)                       |
| Acquisition of subsidiary (net of cash acquired)  | -                        | -                       | -                            | (5,002)                     |
| <b>Net Cash generated from Investing Activities</b>                                     | <b>-</b>                 | <b>(280)</b>            | <b>(298)</b>                 | <b>(5,282)</b>              |
| <b>Cash Flows from Financing Activities</b>   |                          |                         |                              |                             |
| Proceeds from warrants conversion   | -                        | 5,453                   | -                            | 11,329                      |
| Proceeds from Subscription  | -                        | -                       | 4,915                        | -                           |
| Repayment of bank borrowings  | -                        | (88)                    | -                            | (43,390)                    |
| Repayment of borrowings   | (17,337)                 | -                       | (17,337)                     | -                           |
| <b>Net Cash used in Financing Activities</b>  | <b>(17,337)</b>          | <b>5,365</b>            | <b>(12,422)</b>              | <b>(32,061)</b>             |
| <b>Net increase/(decrease) in Cash and Cash equivalents</b>                             | <b>(4,988)</b>           | <b>1,542</b>            | <b>(21,834)</b>              | <b>(53,507)</b>             |
| Cash and Cash equivalents at beginning of period  | 17,951                   | 11,192                  | 34,421                       | 66,241                      |
| Exchange differences on translation of Cash and Cash equivalents at beginning of period | (19)                     | -                       | 357                          | -                           |
| Cash and Cash Equivalents at end of Period  | 12,944                   | 12,734                  | 12,944                       | 12,734                      |

**CEDAR STRATEGIC HOLDINGS LTD.**  
**Company Registration No. 198003839Z**

**1 (d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

***Consolidated Statement of Changes in Equity for the quarter ended 30 September 2014 - Group***

|                                       | Share<br>Capital &<br>Warrants<br>Reserve<br>RMB'000 | Capital<br>Reduction<br>Reserve<br>RMB'000 | Statutory<br>Common<br>Reserve<br>RMB'000 | Share<br>Option<br>Reserve<br>RMB'000 | Warrant<br>Reserve<br>RMB'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RMB'000 | Accumulated<br>Losses<br>RMB'000 | Total Equity<br>attributable<br>to equity<br>holders of<br>Company<br>RMB'000 | Non-<br>Controlling<br>Interests<br>RMB'000 | Total<br>Equity<br>RMB'000 |
|---------------------------------------|--|--|---|---------------------------------------|-------------------------------|--|----------------------------------|---|---|----------------------------|
| <b>Q3FY14</b>                         |  |  |   |                                       |                               |  |                                  |   |   |                            |
| <b>Balance at July 1, 2014</b>        | <b>486,068</b>                                       | <b>79,151</b>                              | <b>971</b>                                | <b>2,134</b>                          | -                             | <b>26,760</b>  | <b>(330,230)</b>                 | <b>264,854</b>  | -   | <b>264,854</b>             |
| Net profit/(Loss) for the period      | -  | -  | -   | -                                     | -                             | -  | 44,588                           | 44,588  | -   | 44,588                     |
| Subscription of ordinary shares       | -  | -  | -   | -                                     | -                             | -  | -                                | -   | -   | -                          |
| Adjustment of employee's share option | -  | -  | -   | -                                     | -                             | -  | -                                | -   | -   | -                          |
| Reclassification adjustments          | -  | -  | -   | -                                     | -                             | -  | -                                | -   | -   | -                          |
| Translation of foreign currency :     | -  | -  | -   | -                                     | -                             | -  | -                                | -   | -   | -                          |
| <b>Balance at September 30, 2014</b>  | <b>486,068</b>                                       | <b>79,151</b>                              | <b>971</b>                                | <b>2,134</b>                          | -                             | <b>26,760</b>  | <b>(285,642)</b>                 | <b>309,442</b>  | -   | <b>309,442</b>             |
| <b>Balance at July 1, 2013</b>        | <b>413,808</b>                                       | <b>79,151</b>                              | -   | <b>1,696</b>                          | <b>(4,159)</b>                | <b>24,888</b>  | <b>(403,055)</b>                 | <b>112,330</b>  | -   | <b>112,330</b>             |
| Net profit/(Loss) for the period      | -  | -  | -   | -                                     | -                             | -  | (2,930)                          | (2,930)   | -   | (2,930)                    |
| Other Comprehensive Income :          |  |  |   |                                       |                               |  |                                  |   |   |                            |
| Translation of foreign currency :     | -  | -  | -   | -                                     | -                             | 998  | -                                | 998   | -   | 998                        |
| Issue of Staff Incentives Shares      | 1,689  | -  | -   | -                                     | -                             | -  | (1,689)                          | -   | -   | -                          |
| Acquisition of YLG/WT                 | 13,117   | -  | -   | -                                     | -                             | -  | (1,457)                          | 11,659  | -   | 11,659                     |
| Exercise of warrants                  | 16,994   | -  | -   | -                                     | 2,476                         | -  | (14,016)                         | 5,454   | -   | 5,454                      |
| <b>Balance at September 30, 2013</b>  | <b>445,608</b>                                       | <b>79,151</b>                              | -   | <b>1,696</b>                          | <b>(1,683)</b>                | <b>25,886</b>  | <b>(423,147)</b>                 | <b>127,511</b>  | -   | <b>127,511</b>             |

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**1 (d)(i) A Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

***Consolidated Statement of Changes in Equity for the quarter ended 30 September 2014 - Company***

|   | Share Capital &<br>Warrants<br>Reserve<br>RMB'000 | Capital Reduction<br>Reserve<br>RMB'000 | Share Option<br>Reserve<br>RMB'000 | Warrant Reserve<br>RMB'000 | Foreign Currency<br>Translation<br>Reserve<br>RMB'000 | Accumulated<br>Losses<br>RMB'000 | Total Equity<br>attributable to<br>equity holders<br>of the Company<br>RMB'000 |
|---|---|---|------------------------------------|----------------------------|---|----------------------------------|--|
| <b>Q3FY14</b>                           |   |   |                                    |                            |   |                                  |  |
| <b>Balance at July 1, 2014</b>          | <b>486,068</b>                                    | <b>79,151</b>                           | <b>2,134</b>                       | -                          | <b>26,760</b>   | <b>(342,906)</b>                 | <b>251,207</b>   |
| Adjustment of employee's share option   | -   | -                                       | -                                  | -                          | -   | -                                | -  |
| Subscription of ordinary shares         | -   | -                                       | -                                  | -                          | -   | -                                | -  |
| Net Profit/(Loss) for the period        | -   | -                                       | -                                  | -                          | -   | 513                              | 513  |
| <b>Balance at September 30, 2014</b>    | <b>486,068</b>                                    | <b>79,151</b>                           | <b>2,134</b>                       | -                          | <b>26,760</b>   | <b>(342,393)</b>                 | <b>251,720</b>   |
| <b>Balance at July 1, 2013</b>          | <b>413,908</b>                                    | <b>79,151</b>                           | <b>1,696</b>                       | <b>(4,159)</b>             | <b>31,371</b>   | <b>(428,927)</b>                 | <b>92,941</b>  |
| Issues of Staff Incentives Shares       | 1,689   | -                                       | -                                  | -                          | -   | (1,689)                          | -  |
| Acquisition of YLG/WT                   | 13,117  | -                                       | -                                  | -                          | -   | (1,457)                          | 11,659   |
| Exercise of Warrants                    | 16,994  | -                                       | -                                  | 2,475                      | -   | (14,016)                         | 5,453  |
| Adjustment of valuation of warrants     | -   | -                                       | -                                  | -                          | -   | -                                | -  |
| Translation of Foreign Currency         | -   | -                                       | -                                  | -                          | -   | -                                | -  |
| Total Comprehensive Income for the year | -   | -                                       | -                                  | -                          | -   | (1,245)                          | (1,245)  |
| <b>Balance at September 30, 2013</b>    | <b>445,608</b>                                    | <b>79,151</b>                           | <b>1,696</b>                       | <b>(1,683)</b>             | <b>31,371</b>   | <b>(447,334)</b>                 | <b>108,810</b>   |

**1 (d)(ii) Details of any changes in the Company's Share Capital arising from right issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Number of shares**

**Share Capital**  
**Ordinary shares issued and fully paid**

Balance as at 30 September 2014 7,966,782,808

There were no changes to share capital during the quarter ended 30 September 2014.

As at 30 September 2014, convertibles (including options to subscribe for ordinary shares in our Company) that remained outstanding are as follows:

|  | <b>As at 30 Sept 2014</b> | <b>As at 30 Sept 2013</b> |
|--|---------------------------|---------------------------|
|  | <b>No. of Shares</b>      | <b>No. of Shares</b>      |
| Share Options granted on 25 May 2010<br>(exercisable on and after 25 May 2011)       | 10,000,000                | 10,000,000                |
| Share Options granted on 25 May 2010<br>(exercisable on and after 25 May 2012)       | -                         | 3,000,000                 |
| Share Options granted on 30 August 2012<br>(exercisable on and after 30 August 2013) | 107,000,000               | 326,000,000               |
| Warrants granted on 28 January 2013 (expire on 27<br>January 2016)                   | 250,000,000               | 250,000,000               |
| Warrants granted on 12 June 2014 (expire on 11 June<br>2017)                         | 1,277,777,777             | -                         |
|  | <u>1,644,777,777</u>      | <u>589,000,000</u>        |



**1(d)(iii) To show the total number of Issued Shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year**

The Company's total number of issued shares (excluding treasury shares) as at 30 September 2014 is 7,966,782,808 (30 September 2013 : 5,629,435,029)

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares at the end of the financial period reported on.**

Not Applicable. The Company does not hold any treasury shares.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 31 December 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

Not Applicable

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

- (a) Based on the weighted average number of ordinary shares on issue; and  
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

|  | Group                   |                         | Group                       |                             |
|--|-------------------------|-------------------------|-----------------------------|-----------------------------|
|  | 3rd Qtr Ended 30/9/2014 | 3rd Qtr Ended 30/9/2013 | YTD 3rd Qtr Ended 30/9/2014 | YTD 3rd Qtr Ended 30/9/2013 |
| <b>Profit/(Loss) per ordinary share:</b>                                   |                         |                         |                             |                             |
| (i) Based on weighted average no. of ordinary shares in issue (fen)        | 0.56                    | (0.09)                  | 0.74                        | (0.29)                      |
| (ii) On a fully diluted basis (fen)  | 0.53                    | (0.07)                  | 0.70                        | (0.25)                      |
| <b>Number of shares in issue:</b>  |                         |                         |                             |                             |
| (i) Based on weighted average no. of ordinary shares in issue (in million) | 7,966                   | 5,397                   | 7,208                       | 5,028                       |
| (ii) On a fully diluted basis (in million)                                 | 8,376                   | 6,183                   | 7,618                       | 5,915                       |

Earnings/(loss) per ordinary share is calculated based on the Group's profit/(loss) for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

Diluted earnings/(loss) per ordinary share is calculated based on the same basis as earnings/(loss) per share after adjusting the weighted average number of ordinary shares to include the outstanding warrants and options that are convertible during the respective reporting periods.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the :**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

|  | Group     |           | Company   |           |
|--|-----------|-----------|-----------|-----------|
|  | 30-Sep-14 | 31-Dec-13 | 30-Sep-14 | 31-Dec-13 |
| Net Asset Value (RMB'000)  | 309,442   | 233,444   | 251,207   | 226,262   |
| Based on existing issued share capital (fen per share)                                 | 3.88      | 3.49      | 3.16      | 3.38      |
| Net Asset Value has been computed based on the share capital of (in million of shares) | 7,967     | 6,689     | 7,967     | 6,689     |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **INCOME STATEMENT**

The Group recorded revenue of approximately RMB125.4 million for the three months ended 30 September 2014 ("3Q2014"), which was mainly due to contribution from the sales of property units in the "Xiao Cheng Gu Shi" project, compared to revenue of approximately RMB0.7 million for 3Q2013 arising from the businesses of Yess Le Green Pte. Ltd. ("YLG") and West Themes Pte Ltd ("WT"), which has since been disposed of. Gross profit of approximately RMB46.3 million was recorded for 3Q2014, after deducting direct costs of approximately RMB79.1 million for the same period. The increase in the gross profit was mainly due to the sales of property units in "Xiao Cheng Gu Shi" project in 3Q2014 as compared to a gross loss of RMB0.6 million for 3Q2013 arising from the businesses of YLG and WT. Direct cost of RMB79.1 million for 3Q2014 was derived from the cost of property units in "Xiao Cheng Gu Shi" project as compared to RMB1.2 million for 3Q2013 arising from the business of YLG and WT. Other income of approximately RMB4.6 million for 3Q2014 was derived mainly from interest income arising from the receivables due from the vendor of the Trechance Group. The Group also incurred administration expenses of approximately RMB6.1 million, representing a decrease of approximately 5% over administration expenses for 3Q2013. The administration expenses were due mainly to the administrative costs of the acquired property business. The higher administration cost in 3Q2013 was due to the incentive staff share option of S\$1.7 million. The distribution expenses of RMB0.1 million for 3Q2014, which represent an increase of approximately 34% over the distribution expenses for 3Q2013, were derived mainly from travel expenses. The finance cost of RMB0.2 million for 3Q2013, which represents an increase of approximately 22% over the finance cost for 3Q2013, was due to expenses arising from interest incurred on the borrowings.

Depreciation of plant & equipment in 3Q2014 was approximately RMB1.4 million as compared to approximately RMB0.1 million in 3Q2013 mainly due to the acquisition of the Trechance Group, which holds properties including the "Xiao Cheng Gu Shi" project. The exchange loss of RMB0.5 million in 3Q2014 was due to the strengthening of RMB.

#### **BALANCE SHEET**

Total assets decreased from approximately RMB720.2 million as at 31 December 2013 to approximately RMB621.6 million as at 30 September 2014, due to the following: Property, Plant and Equipment decreased from approximately RMB76.5 million as at 31 December 2013 to approximately RMB73.1 million due to depreciation for the 3Q2014 period. Trade and Other Receivables decreased from approximately RMB192.3 million as at 31 December 2013 to approximately RMB188.5 million due mainly to strengthening of RMB.

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Development properties decreased from approximately RMB164.6 million as at 31 December 2013 to approximately RMB65.7 million as at 30 September 2014, due mainly to the sales of property units in the “Xiao Cheng Gu Shi” project. Trade and other receivables increased from approximately RMB248.1 million as at 31 December 2013 to approximately RMB277.1 million as at 30 September 2014, due mainly to interest due from Talented Creation International Limited of RMB31.9 million. Cash and cash equivalents decreased from approximately RMB34.4 million as at 31 December 2013 to approximately RMB1.9 million as at 30 September 2014 due to settlement of accounts payable as well as working capital for head office costs, acquisition costs and related projects costs, which was offset by the cash inflow from the Company’s Placement exercise which was completed in June 2014 and raised approximately RMB4.9 million.

Total non-current assets decreased marginally from approximately RMB268.8 million as at 31 December 2013 to approximately RMB261.6 million as at 30 September 2014 due to the provision for depreciation and reclassification of RMB4.0 million of trade receivables from non-current assets to current assets.

Total liabilities decreased from approximately RMB486.8 million as at 31 December 2013 to approximately RMB312.2 million as at 30 September 2014 due mainly to a RMB167.8 million decrease in customers advances (i.e. a drop from RMB266.0 million to RMB98.2 million) and repayment of borrowings of RMB17.3 million which was offset by an increase in taxation of RMB13.3 million.

The Group’s net tangible assets increased from approximately RMB233.4 million as at 31 December 2013 to approximately RMB309.4 million as at 30 September 2014 due mainly to an increase in share capital of RMB23.2 million from the placements in 2Q2014 as well as retained earnings of RMB53.3 million.

**CASH FLOW**

Net cash generated in operating activities of RMB12.3 million for 3Q2014 was mainly due to operating profit of RMB49.9 million less working capital changes of RMB37.5 million, as compared to net cash used in operations of RMB3.5 million in 3Q2013. Net cash used in financing activities was RMB17.3 million in 3Q2014 which arose from repayment of borrowings, as compared to a net cash generated of approximately RMB5.4 million in 3Q2013. Overall, there was a net decrease of approximately RMB5.0 million in cash and cash equivalents resulting in a balance of approximately RMB12.9 million as at 30 September 2014.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Nil.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The main portion of the Group's revenue for the current financial year is expected to arise from the ongoing real estate projects of the Trechance Group, in particular, from the "Xiao Cheng Gu Shi" project. Over 75% of the developed units of "Xiao Cheng Gu Shi" have been delivered.

In view of the cautious sentiments of buyers on the Chinese property market, shadow banking issues and ultra-high financing costs, many PRC property developers (including Cedar) are facing inherent challenges in maintaining the traditional property developer business model of buying land, securing construction loans and building up inventory in anticipation of buyers' demand.

The Company made an announcement on 27 October 2014 in relation to the acquisition of Futura Assets Holdings Pte. Ltd. ("Futura"). Futura has been engaged to provide property development and management services to all the properties of Chengdu Zhangyang Investment Co. Ltd. ("**Chengdu Zhangyang**"). Chengdu Zhangyang is a property developer based in the PRC and is principally involved in the business of marketing, sales and development of commercial properties, particularly in healthcare, retirement facilities and tourism related real estate such as developments which address the expectations of healthy and active senior citizens. Actively promoting the philosophy of "fun and pleasure to make life more interesting for both the young and after retirement" in its property products, Chengdu Zhangyang's mission statement of "towards excellence for the elderly" speaks of its development direction to focus on developing various integrated resorts, which is specially designed to combine retirement village, medical tourism and leisure entertainment.

The Board is of the view that the acquisition is in the best interests of the Group as the acquisition is a viable business opportunity, which will allow the Group to enter into a growth segment of the property market (specifically management services) in China on a limited basis, without incurring huge initial outlay.

Furthermore, Chengdu Zhangyang owns developed properties of a GFA exceeding 2.4 million square meters and also has a pipeline of properties under development and held for future development with an aggregate GFA of approximately 2.4 million square metres. As such, the acquisition will serve to diversify and increase the Group's earnings stream so that it is less susceptible to the cyclical effects of the new construction and property development project(s), thereby bringing additional value to the Company and its shareholders.

**11. Dividend**

**(a) Current Financial Period Reported On**  
**Any dividend declared for the current financial period reported on?**

No dividend has been declared or recommended.

- (b) Corresponding Period of the immediately preceding financial year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No dividend was declared or recommended.

- (c) Date payable**

Not Applicable

- (d) Books closure date**

Not Applicable

**12. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual**

Dr In Nany Sing Charlie and Chan Kum Ee, being two of the Directors of Cedar Strategic Holdings Ltd. (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited financial information for the 3<sup>rd</sup> quarter ended 30 September 2014 to be false or misleading in any material aspect.

**13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**14. Disclosure on the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of the proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purposes, a breakdown with specific details on how the proceeds have been applied must be disclosed.**

The details of the utilization of proceeds from the rights issue as at 30 September 2014 are as follows :

| <b>Intended Use</b>   | <b>Amount Allocated</b> | <b>Amount Utilised</b> |
|---|-------------------------|------------------------|
|   | <b>(S\$ million)</b>    | <b>(S\$ million)</b>   |
| Real estate development and/or investment in real estate assets | Up to S\$3.46           | S\$1.998               |
| Working capital purposes  | Up to S\$1.49           | S\$1.490               |
| Rights Issue expenses   | S\$0.35                 | S\$0.350               |
| <b>Total (Gross Proceeds/Total Utilised)</b>                    | <b>S\$5.30</b>          | <b>S\$3.838</b>        |

The details of the utilization of proceeds from the placement exercise which was completed on 7 July 2014 as at 30 September 2014 are as follows :

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| <b>Intended Use</b>   | <b>Amount Allocated<br/>(S\$ million)</b> | <b>Amount Utilised<br/>(S\$ million)</b> |
|---|---|--|
| Real estate development and/or investment in real estate assets | Up to S\$4.35                             | S\$4.30                                  |
| Working capital purposes  | Not Applicable                            | Not Applicable                           |
| Total (Gross Proceeds/Total Utilised)                           | S\$4.35                                   | S\$4.30                                  |

ON BEHALF OF THE DIRECTORS

IN NANY SING CHARLIE  
Non Executive Chairman

**BY ORDER OF THE BOARD**  
**6 November 2014**

*This announcement 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 the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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