

CEDAR STRATEGIC HOLDINGS LTD.

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

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- (1) **PROPOSED PLACEMENT (THE “PLACEMENT”) OF UP TO 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF CEDAR STRATEGIC HOLDINGS LTD. (THE “COMPANY”)**
 - (2) **INVESTMENT OF UP TO S\$2,090,000 SECURED BY THE COMPANY TO BE REPAYED BY THE ISSUE AND ALLOTMENT OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “INVESTMENT”)**
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1. PLACEMENT: INTRODUCTION

The Board of Directors (“**Board**”) of Cedar Strategic Holdings Limited (the “**Company**”) wishes to announce that the Company has entered into share subscription agreements dated 3 July 2015 (the “**Share Subscription Agreements**”) with Zhu Xiaolin (“**ZXL**”) and Tao Xucheng (“**TXC**”) respectively (the “**Placement Subscribers**”), pursuant to which the Placement Subscribers have agreed to subscribe for an aggregate of 950,000,000 new ordinary shares (the “**Subscription Shares**”) at S\$0.0026 (the “**Subscription Price**”) for each Subscription Share in the following proportion:

Name of Placement Subscribers	No. of Subscription Shares Allotted / (as a percentage of the total Subscription Shares)	The Subscription Shares as a percentage of the Enlarged Share Capital
Zhu Xiaolin	500,000,000 (52.63%)	5.61%
Tao Xucheng	450,000,000 (47.37%)	5.05%

The Subscription Price represents a premium of approximately 30% over the weighted average price of S\$0.0020 of the Company’s ordinary shares (“**Shares**”) for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 8 April 2015 (the preceding market day before trading in the Company’s shares was halted) and up to 2.56 p.m. on 9 April 2015, being the last market day on which trading in the Company’s shares were halted and since subsequently suspended.

Subject to the approval of the Shareholders (defined below) having been obtained pursuant to Rule 805 or 806 of Section B: Rules of Catalist of the SGX-ST Listing Manual (the “**Catalist Rules**”) (as the case may be), for the allotment and issue of the Subscription Shares to the Placement Subscribers, the Company will be making an application through the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “**Sponsor**”) to the SGX-ST for the listing and quotation of the Subscription Shares on the SGX-ST shortly. The Subscription Shares will not be issued to transfer a controlling interest of the Company and none of the Subscription Shares will be placed to any person or groups of person prohibited by the SGX-ST as set out under the Catalist Rules.

The Subscription Shares will be payable in full upon acceptance and/or application and, when issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Subscription Shares.

2. SHAREHOLDERS’ MANDATE

The Subscription Shares will be allotted and issued pursuant to either (i) the general share issue mandate to be obtained from shareholders of the Company (the “**Shareholders**”) at the forthcoming Annual General Meeting of the Company to be held for the purposes of, *inter alia*,

approving the Company's audited accounts for the financial year ended 31 December 2014 or (ii) a specific share issue mandate to be obtained from the Shareholders at an Extraordinary General Meeting of the Company to be held for the purposes of approving, *inter alia*, the Placement.

The Subscription Shares represent approximately 11.92% of the total number of issued shares in the Company as at the date of this announcement. The Placement will increase the issued and paid-up share capital of the Company by approximately S\$2,470,000 and the number of ordinary shares will increase from 7,966,782,808 to 8,916,782,808.

3. ABOUT THE PLACEMENT SUBSCRIBERS

Mr Zhu Xiaolin is currently the CEO and Director of Uni Global Power Pte Ltd. A citizen of the People's Republic of China, he graduated with a degree in economics from the Southwest University of Finance and Economics in Chengdu, China, and is also a certified public accountant. He has worked in and held senior positions in Fortune 500 companies, including Motorola, Siemens, New Hope Group and Sichuan Chuanwei Group.

Mr Zhu has led many companies which are listed on the Hong Kong Stock Exchange, most significantly, China Vanadium Titano-Magnetite Mining Company Limited, China's first iron ore company listed on the Hong Kong Stock Exchange (CVTM, 00893.HK). In March 2010, Mr Zhu set up China Polymetallic Mining Co., Ltd. (02133. HK), and led the company through its successful listing on the Hong Kong Stock Exchange in December 2011.

Mr Tao Xucheng is presently the General Manager of the Chengdu Wanmu Technology Co., Ltd. He graduated with a master's degree in international finance from the Southwest University of Finance and Economics in Chengdu, China. He has worked in and held senior positions in West China Securities, Dongyuan Industrial Development Co., Ltd., Holly High Investment Bank Consultant Co., Ltd., Sichuan Hongxin Mining Co., Ltd and other well-known domestic large and medium-sized enterprises in China.

During Mr Tao's work at Holly High Investment Bank Consultant Co., Ltd, he completed hundreds of merger and acquisitions, with international and domestic companies, ranging from Fortune 500 companies to central state-owned enterprises and local state-owned enterprises. He worked on the internal restructuring of Teda, which had assets of more than 60 billion yuan, the acquisition of Sichuan Cement by Lafarge, and private placement of the Wantong Group amongst others.

The Placement Subscribers are introduced by an unrelated third party for a fee of 5% of the gross placement proceeds.

The Placement Subscribers have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Catalist Rules.

Under the terms of the Share Subscription Agreements, each of the Placement Subscriber has represented, warranted and undertaken to and for the benefit of the Company that he is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers).

4. PRINCIPAL TERMS OF THE PLACEMENT

CONDITIONS PRECEDENT

The obligations of the Company and each Placement Subscriber under the relevant Share Subscription Agreement are conditional upon, *inter alia*:

- (a) a listing and quotation notice for the listing and quotation of the Subscription Shares on Catalist (on conditions, if any, acceptable to the Company and the Placement Subscriber)

having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date, such conditions being reasonably acceptable to the Placement Subscriber or fulfilled by the Company, as the case may be;

- (b) the Company obtaining such approval(s) from its board of directors in connection with the Share Subscription Agreement and the transactions contemplated therein as may be necessary;
- (c) the allotment, issue, and subscription by the Placement Subscriber of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated or issued thereafter by any legislative, executive or regulatory body or authority of Singapore;
- (d) the representations and warranties of the Company in the Share Subscription Agreement being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations herein to be performed on or before the Completion Date; and
- (e) the approval of the Shareholders having been obtained pursuant to Rule 805 or 806 of the Catalist Rules (as the case may be), for the allotment and issue of the Subscription Shares to the Placement Subscribers.

“**Completion Date**” for the purposes of this Paragraph 4 means the date notified in writing by the Company to the Placement Subscriber as the date of completion, being a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the relevant Share Subscription Agreement, or such other date as may be agreed between the parties.

PAYMENT TERMS

The Subscribers shall make a total cash payment of S\$2,470,000 being the total subscription price for the Subscription Shares, by bank transfer to the account of the Company.

5. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The Company intends to use 100% of the net proceeds (which will total approximately S\$2,290,000) from this Placement (after deducting expenses of approximately S\$180,000) for its working capital purposes which would include, *inter alia*, payment of trade payables and administrative expenses (for e.g. salary for staff etc.) as the Company’s current cash flow is very tight for the purposes of funding its day-to-day operations and for carrying out the works which are necessary to apply for the resumption of trading in the Shares.

6. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company or its subsidiaries (the “**Group**”) following the Placement.

As at the date of this announcement, the issued and paid-up share capital of the Company is approximately S\$87,819,611.408 comprising 7,966,782,808 ordinary shares. Upon the completion of the Placement, the Company’s issued and paid-up share capital will be approximately S\$90,289,611.41 comprising 8,916,782,808 ordinary shares.

Based on the Group’s audited consolidated financial statements for the year ended 31 December 2013, the financial effects of the Placement on the Group are estimated as follows:

- (a) The net asset per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed audited financial period)) of the Group, assuming that the Placement had been effected on 31 December 2013, would have decreased by 8.30%, from 3.49 RMB fen to 3.20 RMB fen; and
- (b) The loss per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed audited financial period)) of the Group, assuming that the Placement had been effected on 31 December 2013, would have decreased by 16.04%, from 1.42 RMB fen to 1.19 RMB fen.

As the Directors were newly appointed and have yet to be able to verify the existing bank balances of the Group, the Directors are unable to give an opinion as to whether the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement. The Directors are however of the opinion that, after taking into consideration the net proceeds of the Placement, the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement.

7. INTRODUCTION: INVESTMENT

The Board of Directors of the Company also wish to announce that the Company has entered into investment agreements dated 3 July 2015 (the “**Investment Agreements**”) with Teo Cheng Kwee (“**TCK**”) and Wong Pak Him Patrick (“**WPHP**”) respectively (the “**Investors**”), pursuant to which TCK and WPHP has agreed to invest S\$1,100,000 and S\$990,000 in the Company respectively (collectively, the “**Investment Amount**”).

It is intended that the Company shall repay the Investment Amount by issuing and allotting an aggregate of 950,000,000 new ordinary shares (the “**Investment Shares**”) at S\$0.0022 (the “**Investment Price**”) for each Investment Share in the following proportion:

Name of Investors	No. of Investment Shares Allotted / (as a percentage of the total Investment Shares)	The Investment Shares as a percentage of the Enlarged Share Capital
Teo Cheng Kwee	500,000,000 (52.63%)	5.61%
Wong Pak Him Patrick	450,000,000 (47.37%)	5.05%

The Investment Price represents a premium of approximately 10% over the weighted average price of S\$0.0020 of the Company’s ordinary shares for trades done on SGX-ST for the full market day on 8 April 2015 (the preceding market day before trading in the Company’s shares was halted) and up to 2.56 p.m. on 9 April 2015, being the last market day on which trading in the Company’s shares were halted and since subsequently suspended.

Subject to the approval of the Shareholders having been obtained pursuant to Rule 805 or 806 of the Catalist Rules (as the case may be), for the allotment and issue of the Investment Shares to the Investors, the Company will be making an application through the Sponsor to the SGX-ST for the listing and quotation of the Investment Shares on the SGX-ST shortly. The Investment Shares will not be issued to transfer a controlling interest of the Company and none of the Investment Shares will be placed to any person or groups of person prohibited by the SGX-ST as set out under the Catalist Rules.

The Investment Shares will be issued as consideration for full repayment of the Investment Amount and, when issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Investment Shares.

In the event the Company does not repay the Investment Amount by way of the issue and allotment of the Investment Shares, the Company shall on the Long Stop Date repay the Investment Amount in cash. In such an event, the interest payable on the Investment Amount shall

be at a rate of 12.0% per annum (the “**Interest**”). For the avoidance of doubt, the Interest payable shall be waived by the Investors in full in the event that the Company repays the Investment Amount by way of the issue and allotment of the Investment Shares.

“**Long Stop Date**” for the purposes of this Paragraph 7 means the date falling six (6) months after the date of the relevant Investment Agreement or any other date that the Investor may agree with the Company.

8. SHAREHOLDERS' MANDATE

The Investment Shares will be allotted and issued pursuant to either (i) the general share issue mandate to be obtained from the Shareholders at the forthcoming Annual General Meeting of the Company to be held for the purposes of, *inter alia*, approving the Company's audited accounts for the financial year ended 31 December 2014 or (ii) a specific share issue mandate to be obtained from the Shareholders at an Extraordinary General Meeting of the Company to be held for the purposes of approving, *inter alia*, the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares.

The Investment Shares represent approximately 11.92% of the total number of issued shares in Company as at the date of this announcement. The repayment of the Investment Amount by way of the issue and allotment of the Investment Shares will increase the issued and paid-up share capital of the Company by approximately S\$2,090,000 and the number of ordinary shares will increase from 7,966,782,808 to 8,916,782,808.

9. ABOUT THE INVESTORS

Mr Teo Cheng Kwee is the founder and a Non-Executive and Non Independent Director of Sapphire Corporation Limited.

Mr Wong Pak Him Patrick is the General Manager of Chengdu Gao Peng Technology Co., Ltd. A citizen of the Hong Kong Special Administrative Region of the People's Republic of China, he graduated from the Hong Kong Baptist University, and has been a member of the Association of Chartered Certified Accountants since 2008.

Mr Wong was the CFO and director of Far City Mining Co. Ltd, participating in the listing of the company on the Canadian Stock Exchange. Coupled with his experience working at Ho & Lam CPA Ltd. in Hong Kong, he is very experienced in financial management.

The Investors are introduced by an unrelated third party for a fee of 5% of the Investment Amount.

The Investors have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Catalist Rules.

Under the terms of the Investment Agreements, each of the Investors has represented, warranted and undertaken to and for the benefit of the Company that he is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers).

10. PRINCIPAL TERMS OF THE INVESTMENT

CONDITIONS PRECEDENT

The Investors shall make a total cash investment of S\$2,090,000 being the total investment amount, by bank transfer to the account of the Company after they have received:

- (a) a copy, certified by a director of the Company, of the resolutions by the Board of the Company approving, *inter alia*, the execution and delivery of the Investment Agreements; and
- (b) such other documents as the Investors may reasonably require.

CONDITIONS PRECEDENT TO THE REPAYMENT OF THE INVESTMENT AMOUNT BY WAY OF AN ISSUE AND ALLOTMENT OF THE INVESTMENT SHARES

The repayment of the Investment Amount by way of an issue and allotment of the Investment Shares is conditional upon, *inter alia*,:

- (a) a listing and quotation notice for the listing and quotation of the Investment Shares on Catalist (on conditions, if any, acceptable to the Company and the Investor) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date, such conditions being reasonably acceptable to the Investor or fulfilled by the Company, as the case may be;
- (b) the Company obtaining such approval(s) from its board of directors in connection with the Investment Agreements and the transactions contemplated therein as may be necessary;
- (c) the allotment, issue, and subscription by the Investors of the Investment Shares not being prohibited by any statute, order, rule or regulation promulgated or issued thereafter by any legislative, executive or regulatory body or authority of Singapore;
- (d) the representations and warranties of the Company in the Investment Agreements being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations herein to be performed on or before the Completion Date; and
- (e) the approval of the Shareholders having been obtained pursuant to Rule 805 or 806 of the Catalist Rules (as the case may be), for the allotment and issue of the Investment Shares to the Investors.

“**Completion Date**” for the purposes of this Paragraph 10 means the date notified in writing by the Company to the Investor as the date of completion, being a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the relevant Investment Agreement, or such other date as may be agreed between the parties.

11. RATIONALE FOR THE INVESTMENT AND USE OF PROCEEDS

The Company intends to use 100% of the net proceeds (which will total approximately S\$1,940,000) from this Investment (after deducting expenses of approximately S\$150,000) for its working capital purposes which would include, *inter alia*, payment of trade payables and administrative expenses (for e.g. salary for staff etc.) as the Company’s current cash flow is very tight for the purposes of funding its day-to-day operations and for carrying out the works which are necessary to apply for the resumption of trading in the Shares.

12. FINANCIAL EFFECTS OF THE REPAYMENT OF THE INVESTMENT AMOUNT BY WAY OF AN ISSUE AND ALLOTMENT OF THE INVESTMENT SHARES

The financial effects of the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Group following the Investment.

As at the date of this announcement, the issued and paid-up share capital of the Company is approximately S\$87,819,611.408 comprising 7,966,782,808 ordinary shares. Upon the completion of the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares, the Company's issued and paid-up share capital will be approximately S\$89,909,611.41 comprising 8,916,782,808 ordinary shares (assuming no prior placement) .

Based on the Group's audited consolidated financial statements for the year ended 31 December 2013, the financial effects of the Investment on the Group are estimated as follows:

- (a) The net asset per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed audited financial period)) of the Group, assuming that the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares had been effected on 31 December 2013, would have decreased by 8.93%, from 3.49 RMB fen to 3.18 RMB fen; and
- (b) The loss per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed audited financial period)) of the Group, assuming that the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares had been effected on 31 December 2013, would have decreased by 15.88%, from 1.42 RMB fen to 1.19 RMB fen.

As the Directors were newly appointed and have yet to be able to verify the existing bank balances of the Group, the Directors are unable to give an opinion as to whether the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement, The Directors are however of the opinion that, after taking into consideration the net proceeds of the Investment, the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement.

13. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement and the repayment of the Investment Amount by way of an issue and allotment of the Investment Shares will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

14. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement and the Investment.

15. DOCUMENTS FOR INSPECTION

Copies of the Share Subscription Agreements and the Investment Agreements are available for inspection during the normal business hours at the registered office of the Company at 20 Havelock Road, #02-50, Central Square, Singapore 059765 for a period of three months from the date of this announcement.

16. GENERAL

The Company will make the necessary announcements once the listing and quotation notice for the listing and quotation of the Subscription Shares and the Investment Shares have been obtained from the SGX-ST.

17. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquires, that to

the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Share Subscription Agreements and Investment Agreements, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Christopher Chong Meng Tak
Non-Executive Chairman
3 July 2015

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 SGX-ST. The Company's Sponsor has not independently verified the contents of this announcement.

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

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