

CEDAR STRATEGIC HOLDINGS LTD.

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

FURTHER UPDATE ON THE BUSINESS OF TRECHANCE HOLDINGS LIMITED

The Board of Directors (“**Board**”) of Cedar Strategic Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released on 12 October 2015 (Announcement Reference No.: SG151012OTHRZZLE) in relation to the update on the business of Trechance Holdings Limited (the “**Previous Announcement**”).

All capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Previous Announcement, unless the context otherwise requires.

The Current Board has since been informed by Dr In Nany Sing Charlie (“**Charlie**”), the legal representatives of Guizhou Cedar Huacheng Investment Management Co., Ltd (贵州世达华城投资管理有限公司) (“**Cedar Huacheng**”) and Guizhou Shengxiang Investment Management Co., Ltd (贵州盛祥投资管理有限公司) (“**Shengxiang**”), both indirect wholly-owned subsidiaries of the Company that he currently does not possess, and was never in possession of, any documents or company seals (公司公章) of Cedar Huacheng and Shengxiang. Accordingly, Charlie could not effectively carry out his role as the legal representatives of Cedar Huacheng and Shengxiang.

Further, as disclosed in the Previous Announcement, there were no management personnel in Cedar Huacheng or Shengxiang who was reporting to the Current Board. In light of the current circumstances, the Current Board wishes to inform shareholders that, notwithstanding that the Company is still listed as the sole shareholder of each of Cedar Huacheng and Shengxiang, the Company can no longer, *prima facie*, exercise effective control over Cedar Huacheng and Shengxiang (“**Loss of Control**”).

Cedar Huacheng and Shengxiang’s contribution to the Group’s net tangible assets (the “**NTA**”) and profit after tax and minority interests (the “**PATMI**”) based on the Group’s financial statements for the period ended 30 September 2014 announced on 6 November 2014 are as follows:

	NTA (in RMB '000) / (% of Group' NTA)	PATMI (in RMB '000) / (% of Group's PATMI)
Cedar Huacheng	(98) / n.m.	(100) / n.m.
Shengxiang	26,568 / (8.6%)	Nil / Nil
Total	26,470 / (8.6%)	(100) / n.m.

n.m. : not meaningful

Whilst Cedar Huacheng’s principal business comprises investment holdings and Shengxiang currently holds the Group’s land in Kaiyang County, Guizhou Province, PRC, but is otherwise inactive, the Current Board wishes to highlight that both Cedar Huacheng and Shengxiang have been listed in the Abnormal Business Catalog (经营异常名录) as a result of failing to make public their annual reports for the financial years ended 31 December 2013 and 2014. As such, the Current Board cannot at this point in time ascertain the financials of both Cedar Huacheng and Shengxiang.

At the point in time when the Current Board was informed of the Change in Shareholders, the Current Board was of the belief that Cedar Huacheng and Shengxiang were in the control of the Company as Charlie was the legal representative of the two aforesaid companies (which was contrasted with the position of Shunhe and Huamao, whose legal representatives were not even the Company’s

representative to begin with). Furthermore, the Current Board was informed by Charlie when they took over that Cedar Huacheng and Shengxiang were either dormant or were not significant contributors to the Group's financials. However, during the course of the due diligence exercise carried out by Yuantai (which uncovered the loss of Shunhe and Huamao) when Yuantai failed to get information on the Change in Shareholders directly from the relevant authorities, Yuantai suggested that the Company use either Cedar Huacheng or Shengxiang to commence legal action in PRC to discover the reason for the loss of Shunhe and Huamao. The Current Board then approached Charlie and was subsequently alerted to his inability to fulfil his role as legal representative.

The Board is in discussion with various professionals to look into the Loss of Control, including but not limited to taking legal actions, if required. In particular, Mr Ou Haijie, Chief Operating Officer (“**COO**”) of the Group, who is reviewing the business of the Group (including the business of the THL Group), has had various meetings and correspondences with Yuantai to understand more about the Change in Shareholders as well as the Loss of Control, and the legal recourse available to the Company in the PRC.

The Board will keep all Shareholders updated accordingly. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

By Order of the Board

Christopher Chong Meng Tak
Non-Executive Chairman
19 November 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.

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