

**CIRCULAR DATED 30 NOVEMBER 2015**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Cedar Strategic Holdings Ltd (the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Circular. The issue of a listing and quotation notice in respect of the Subscription Shares and the Investment Shares by the SGX-ST is not to be taken as an indication of the merits of the Placement, the Subscription Shares, the Investment Repayment, the Investment Shares, the Company, its subsidiaries and their securities.

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

The contact person for the Sponsor is Mr Ng Joo Khin, at telephone no. (65) 6389 3000; email address [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com).



## **CEDAR STRATEGIC HOLDINGS LTD.**

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

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO:**

- (1) THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0026 PER SUBSCRIPTION SHARE TO MR ZHU XIAOLIN AND MR TAO XUCHENG (THE "PLACEMENT"); AND**
- (2) THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0022 PER INVESTMENT SHARE TO MR TEO CHENG KWEE AND MR WONG PAK HIM PATRICK AS REPAYMENT OF THE INVESTMENT AMOUNT (THE "INVESTMENT REPAYMENT").**

### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	13 December 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	15 December 2015 at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	55 Market Street, #09-02 Singapore 048941

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

- “Associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Articles”** : The Articles of Association of the Company
- “Board”** : The board of Directors
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended up to the Latest Practicable Date
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 30 November 2015
- “Company”** : Cedar Strategic Holdings Ltd
- “Companies Act”** : Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time
- “Directors”** : The directors of the Company as at the Latest Practicable Date and each a **“Director”**
- “Existing Issued Share Capital”** : The existing issued share capital of the Company comprising 7,966,782,808 Shares as at the Latest Practicable Date
- “EGM”** : The extraordinary general meeting of the Company to be held on 15 December 2015 at 55 Market Street #09-02 Singapore 048941 at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place)
- “FY”** : Financial year ended or ending 31 December, as the case may be
- “Group”** : The Company and its subsidiaries
- “HKEx”** : Hong Kong Exchanges and Clearing Limited
- “Hong Kong”** : The Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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<b>“Investment Agreements”</b>	:	The investment agreements dated 3 July 2015 entered into with the Investors for the issue and allotment of the Investment Shares at the Investment Price
<b>“Investment Amount”</b>	:	Has the meaning ascribed to it in paragraph 3.1.1 of this Circular
<b>“Investment L&amp;Q Notice”</b>	:	Has the meaning ascribed to it in paragraph 3.1.5 of this Circular
<b>“Investment Proceeds”</b>	:	Has the meaning ascribed to it in paragraph 3.5.1 of this Circular
<b>“Investment Repayment”</b>	:	Has the meaning ascribed to it in paragraph 1.3.2 of this Circular.
<b>“Investment Shares”</b>	:	The aggregate of 950,000,000 new ordinary shares in the capital of the Company to be issued to the Investors, and each an <b>“Investment Share”</b>
<b>“Investment Price”</b>	:	The issue price of S\$0.0022 per Investment Share
<b>“Investors”</b>	:	TCK and WPHP collectively
<b>“Interest”</b>	:	Has the meaning ascribed to it in paragraph 3.1.4 of this Circular
<b>“Latest Practicable Date”</b>	:	24 November 2015, being the latest practicable date prior to the printing of this Circular
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading of securities
<b>“Notice of EGM”</b>	:	The notice of the EGM which is set out on page 22 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Ordinary Resolutions”</b>	:	The ordinary resolutions 1 and 2 set out in this Circular and in the Notice of EGM
<b>“PRC”</b>	:	People’s Republic of China
<b>“Placement”</b>	:	Has the meaning ascribed to it in paragraph 1.3.1 of this Circular
<b>“Placement L&amp;Q Notice”</b>	:	Has the meaning ascribed to it in paragraph 2.1.4 of this Circular
<b>“Placement Proceeds”</b>	:	Has the meaning ascribed to it in paragraph 2.3 of this Circular
<b>“Placement Subscribers”</b>	:	ZXL and TXC collectively
<b>“RMB”</b>	:	Renminbi, being the lawful currency of the PRC
<b>“SFA”</b>	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Subscription Agreements”</b>	:	The share subscription agreements dated 3 July 2015 entered into with the Placement Subscribers for the issue and allotment of the Subscription Shares at the Subscription Price
<b>“Shareholders”</b>	:	Holders of issued Shares, including Depositors whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST, and <b>“Shareholder”</b> shall be construed accordingly
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company

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## DEFINITIONS

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<b>“Sponsor”</b>	: Stamford Corporate Services Pte. Ltd.
<b>“Subscription Price”</b>	: The issue price of S\$0.0026 per Subscription Share
<b>“Subscription Shares”</b>	: The aggregate of 950,000,000 new ordinary shares in the capital of the Company to be issued to the Placement Subscribers, and each a <b>“Subscription Share”</b>
<b>“Substantial Shareholder”</b>	: A person (including a corporation) who has an interest in not less than 5% of the total issued voting Shares
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>“Take-over Code”</b>	: The Singapore Code on Take-overs and Mergers
<b>“TCK”</b>	: Mr Teo Cheng Kwee
<b>“TXC”</b>	: Mr Tao Xucheng
<b>“WPHP”</b>	: Mr Wong Pak Him Patrick
<b>“ZXL”</b>	: Mr Zhu Xiaolin
<b>“%” or “per cent.”</b>	: Per centum or percentage

**Depositors.** The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

**Subsidiaries and related corporations.** The terms **“subsidiaries”** and **“related corporations”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**References.** Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

**Time and date.** Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

**Statutes.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, the Take-over Code or any statutory or regulatory modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the Catalist Rules, the Take-over Code or any such statutory or regulatory modification thereof, as the case may be, unless the context otherwise requires.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Rounding.** Any discrepancies in figures included in this Circular between the amounts listed and their actual values are due to rounding. Accordingly, figures may have been adjusted to ensure that totals or sub-totals shown, as the case may be, reflect an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### **CEDAR STRATEGIC HOLDINGS LTD.**

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

#### **Board of Directors:**

Christopher Chong Meng Tak (*Non-executive Chairman*)  
Tan Thiam Hee (*Independent Director*)  
Peter Tan (*Independent Director*)  
Wong Pak Him Patrick (*Independent Director*)  
Teo Cheng Kwee (*Non-executive Director*)

#### **Registered Office:**

80 Raffles Place  
#26-05 UOB Plaza 1  
Singapore 048624

30 November 2015

To: The Shareholders of Cedar Strategic Holdings Ltd

Dear Sir/Madam

#### **1. INTRODUCTION**

##### **1.1 Extraordinary General Meeting**

The Directors are convening an Extraordinary General Meeting of the Company (“**EGM**”) to be held on 15 December 2015 to seek the Shareholders’ approval in respect of the Ordinary Resolutions (as detailed below in paragraph 1.3 of this Circular).

##### **1.2 Purpose of this Circular**

The purpose of this Circular is to provide Shareholders with information relating to the Ordinary Resolutions and to seek the Shareholders’ approval for the same at the EGM to be held at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place) on 15 December 2015 at 55 Market Street, #09-02 Singapore 048941. The notice of EGM is set out on page 22 of this Circular.

##### **1.3 The Resolutions**

###### **1.3.1 Ordinary Resolution 1 – The Placement**

Pursuant to the Share Subscription Agreements and subject to the terms and conditions stated therein (pursuant to which the Placement (as defined below) is conditional upon, *inter alia*, approval of the Shareholders being procured), the Company has agreed to allot and issue to the Placement Subscribers an aggregate of 950,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”, and each a “**Subscription Share**”) at the issue price of S\$0.0026 per Subscription Share (the “**Subscription Price**”) (the “**Placement**”).

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## LETTER TO SHAREHOLDERS

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Section 161 of the Companies Act and Rules 805 and 806 of the Catalist Rules provide that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares, unless such shares are issued pursuant to a general mandate obtained from shareholders in general meeting.

As the Company is unable to rely on any existing general mandate for the issue of the Subscription Shares to the Placement Subscribers, it is now seeking the specific approval of Shareholders for the Placement, for purposes of Section 161 of the Companies Act and Rule 805 of the Catalist Rules.

### 1.3.2 Ordinary Resolution 2 – The Investment Repayment

Pursuant to the Investment Agreements and subject to the terms and conditions stated therein (pursuant to which the Investment Repayment (as defined below) is conditional upon, *inter alia*, approval of the Shareholders being procured), the Company has agreed to allot and issue to the Investors an aggregate of 950,000,000 new ordinary shares in the capital of the Company (the “**Investment Shares**”, and each an “**Investment Share**”) at the issue price of S\$0.0022 per Subscription Share (the “**Investment Price**”) as repayment of their injection of the Investment Amount into the Company (the “**Investment Repayment**”).

Section 161 of the Companies Act and Rules 805 and 806 of the Catalist Rules provide that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares, unless such shares are issued pursuant to a general mandate obtained from shareholders in general meeting. Rule 804 of the Catalist Rules provides that except in the case of an issue made on a pro rata basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter. Rules 812(1) and 812(2) of the Catalist Rules provide that an issue must not be placed to, *inter alia*, the issuer’s directors and substantial shareholders, and immediate family of the issuer’s directors and substantial shareholders, unless specific shareholders’ approval for such a placement has been obtained.

As the Investors are Mr Teo Cheng Kwee (“**TCK**”) and Mr Wong Pak Him Patrick (“**WPHP**”), an existing Independent Director and existing Non-executive Director of the Company respectively, the Company is now seeking the specific approval of Shareholders for the issue of the Investment Shares as repayment of the Investment Amount for purposes of Section 161 of the Companies Act and Rules 804, 805, 812(1) and 812(2) of the Catalist Rules.

### 1.4 **No Offer Information Statement Required**

The Placement and Investment Repayment will be undertaken pursuant to Section 272B of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

**The Sponsor and the SGX-ST take no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.**

## 2. THE PLACEMENT

### 2.1 **Introduction**

2.1.1 The Company had on 3 July 2015 entered into the Share Subscription Agreements with Mr Zhu Xiaolin (“**ZXL**”) and Mr Tao Xucheng (“**TXC**”) respectively (collectively, the “**Placement Subscribers**”), pursuant to which the Company proposes to allot and issue to the Placement Subscribers an aggregate of 950,000,000 new ordinary shares in the capital of the Company at the issue price of S\$0.0026 for each Subscription Share in the following proportion:

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## LETTER TO SHAREHOLDERS

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Name of Placement Subscriber	No. of Subscription Shares Allotted / (as a percentage of the total Subscription Shares)	The Subscription Shares as a percentage of the enlarged share capital of the Company of 8,916,782,808 Shares (i.e. after the Placement)	The Subscription Shares as a percentage of the enlarged share capital of the Company of 9,866,782,808 Shares (i.e. after the Placement & Investment Repayment)
Zhu Xiaolin	500,000,000 (52.63%)	5.61%	5.07%
Tao Xucheng	450,000,000 (47.37%)	5.05%	4.56%

- 2.1.2 The 950,000,000 Subscription Shares represent 11.92% of the Existing Issued Share Capital and will represent approximately 10.65% of the enlarged share capital of the Company of 8,916,782,808 Shares (i.e. after the Placement has taken place), and 9.63% of the enlarged share capital of the Company of 9,866,782,808 Shares (i.e. after the Placement and Investment Repayment have taken place).
- 2.1.3 The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements the record date of which falls on or before such date of issue of the Subscription Shares.
- 2.1.4 The Company had applied through the Sponsor to the SGX-ST for the listing and quotation notice (the “**Placement L&Q Notice**”) for the listing of and quotation of the Placement Shares on Catalist. In the event the Placement L&Q Notice is issued, Shareholders should note that such an issue of the Placement L&Q Notice by the SGX-ST is not to be taken as an indication of the merits of the Placement, the Placement Shares, the Company, its subsidiaries and their securities.

## 2.2 Information on the Placement Subscribers

### 2.2.1 ZXL

ZXL is currently the Chief Executive Officer and a director of Uni Global Power Pte. Ltd., an investment holding company incorporated in Singapore (Company Registration No. 201303683E) with its registered address at 711 Geylang Road #01-02 Singapore 389626, and which specialises in property development in emerging and frontier markets. A citizen of the PRC, ZXL graduated with a degree in economics from the Southwest University of Finance and Economics in Chengdu City, Sichuan Province, the PRC, and is also a certified public accountant. He has worked in and held senior positions in various Fortune 500 companies, including Motorola Inc., Siemens AG, Sichuan New Hope Group Co., Ltd. and its subsidiaries, and Sichuan Chuanwei Group Co., Ltd. and its subsidiaries.

ZXL has led many companies which are listed on HKEx, most significantly, China Vanadium Titanomagnetite Mining Company Limited, the PRC’s first iron ore company listed on the HKEx (CVTM, 00893.HK). In March 2010, ZXL set up China Polymetallic Mining Co., Ltd. (02133. HK), and led the company through its successful listing on the HKEx in December 2011.

### 2.2.2 TXC

TXC is presently the General Manager of the Chengdu Wanmu Technology Co., Ltd., a company incorporated in the PRC with its registered address at Group 5, You Lian Chuen, Dong Zhi Kou Xiang, Jinniu District, Chengdu City, Sichuan Province, the PRC, and which engages principally in the business of bio-science technology research services. He graduated with a master’s degree in international finance from the Southwest University of Finance and Economics in Chengdu City, Sichuan Province, the PRC. He has worked in and held senior positions in West China Securities Co., Ltd., 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 the PRC.



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## LETTER TO SHAREHOLDERS

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During TXC's work at Holly High Investment Bank Consultant Co., Ltd, he completed hundreds of merger and acquisitions with international and domestic companies in the PRC, ranging from Fortune 500 companies to PRC central state-owned enterprises and local state-owned enterprises. He has worked on, amongst other projects, the internal restructuring of Tianjin Economic-Technological Development Area, which had assets of more than RMB 60 billion, the acquisition of Sichuan Shuangma Cement Ltd. by Lafarge-Shui On Cement Ltd., and a private placement of Jilin Wantong Pharmacy Group Co., Ltd., a company incorporated in the PRC which engages principally in the pharmacy-related business.

- 2.2.3 The Placement Subscribers were introduced to the Company by an unrelated third party for a fee of 5% on the gross Placement Proceeds (as defined below).
- 2.2.4 The Placement Subscribers have no connection (including business relationships) with each other, the Investors, the Company, its Directors and Substantial Shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Catalist Rules.
- 2.2.5 Under the terms of the Share Subscription Agreements, the Placement Subscribers have represented, warranted and undertaken to and for the benefit of the Company that they are not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Take-Over Code). Furthermore, whilst ZXL and TCK will each be one of the largest Shareholders of the Company following the Placement and Investment Repayment respectively (each owning 5.07% of the Company's enlarged share capital), under the Catalist Rules, each of their shareholding does not enable either of them to exercise effective control over the Company and hence the Company is of the view that the Placement will not result in a transfer of controlling interest in the Company.

### 2.3 Rationale for the Placement

As its present cash flow is extremely limited and tight, the Company has decided to undertake the Placement, the proceeds of which (the "**Placement Proceeds**") would be for the purposes of funding its day-to-day operations and for repayment of the fees and cost incurred in applying for the resumption of trading in the Shares.

The Directors are of the opinion that, after taking into account the Group's present banking facilities, the net proceeds from the issue of the Subscription Shares, and the net proceeds expected to be received from the rights issue exercise to be conducted by the Company, the Group has sufficient working capital to meet its present requirements.

### 2.4 Salient Terms of the Placement

#### 2.4.1 Conditions Precedent

The obligations of the Company and each Placement Subscriber under the relevant Share Subscription Agreements 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 notice 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;

## LETTER TO SHAREHOLDERS

- (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 therein 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 purposes of Paragraph 2.4.1 means the date notified in writing by the Company to the relevant Placement Subscriber as the date of completion of the Subscription Agreements, being a date no later than the seventh (7<sup>th</sup>) Business Day (as defined in the Subscription Agreements) after the satisfaction of the last of the conditions set out in clause 4 of the Subscription Agreements, or such other date as may be agreed between the Company and the relevant Placement Subscriber.

### 2.4.2 Payment Terms

The Placement 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.

### 2.4.3 Premium

The Subscription Price represents a premium of approximately 30% over the weighted average price of S\$0.0020 of the Shares for trades done on the 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 was halted and since subsequently suspended.

## 2.5 **Use of Placement Proceeds**

The Company intends to use 100% of the net proceeds (which will total approximately S\$2,290,000) from the Placement (after deducting expenses of approximately S\$180,000) for its working capital purposes in the following estimated proportions:

	SGD ('000)
Gross proceeds raised from the Placement	2,470
Less introducer fees	(180)
<b>Net Placement Proceeds</b>	<b>2,290</b>

Intended Use of Net Placement Proceeds		Percentage Allocation of Placement Proceeds
(a)	To fund the development of real estate projects and/or investment in real estate and/or related assets	40%
(b)	General working capital, including to fund the salaries of the Group’s employees, legal and professional fees, as well as ancillary expenses for the Group	60%

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## LETTER TO SHAREHOLDERS

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### 3. THE INVESTMENT REPAYMENT

#### 3.1 Introduction

- 3.1.1 The Company had on 3 July 2015 entered into the Investment Agreements with TCK and WPHP respectively (collectively, 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**”).
- 3.1.2 It is intended that the Company shall repay the Investment Amount by issuing and allotting an aggregate of 950,000,000 new ordinary shares at S\$0.0022 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 of the Company of 8,916,782,808 Shares (i.e. after the Investment Repayment)	The Investment Shares as a percentage of the enlarged share capital of the Company of 9,866,782,808 Shares (i.e. after the Placement & Investment Repayment)
Teo Cheng Kwee	500,000,000 (52.63%)	5.61%	5.07%
Wong Pak Him Patrick	450,000,000 (47.37%)	5.05%	4.56%

- 3.1.3 The 950,000,000 Investment Shares represent 11.92% of the Existing Issued Share Capital and will represent approximately 10.65% of the enlarged share capital of the Company of 8,916,782,808 Shares (i.e. after the Investment Repayment has taken place), and 9.63% of the enlarged share capital of the Company of 9,866,782,808 Shares (i.e. after the Placement and Investment Repayment have taken place).
- 3.1.3 The Investment Shares will be issued as consideration for full repayment of the Investment Amount and shall be issued free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements the record date of which falls on or before such date of issue of the Investment Shares.
- 3.1.4 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 purposes of Paragraph 3.1.4 means the date falling six (6) months after the date of the Investment Agreement or any other date that the Investor may agree with the Company.
- 3.1.5 The Company had applied through the Sponsor to the SGX-ST for the listing and quotation notice (the “**Investment L&Q Notice**”) for the listing of and quotation of the Investment Shares on Catalist. In the event the Investment L&Q Notice is issued, Shareholders should note that such an issue of the said Investment L&Q Notice by the SGX-ST is not to be taken as an indication of the merits of the Investment Repayment, the Investment Shares, the Company, its subsidiaries and their securities.

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## LETTER TO SHAREHOLDERS

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### 3.2 Information on the Investors

#### 3.2.1 TCK

TCK is the founder and a Non-executive and Non-independent Director of Sapphire Corporation Limited, a company incorporated in Singapore and listed on the Main Board of the SGX-ST.

#### 3.2.2 WPHP

WPHP is the General Manager of Chengdu Gao Peng Technology Co., Ltd., a company incorporated in the PRC with its registered address at Room 401, No. 171 Hua Pai Fong Street, Jinniu District, Chengdu City, Sichuan Province, the PRC, and which engages principally in the business of development and sale of computer software and hardware. A citizen of Hong Kong, he graduated from the Hong Kong Baptist University, and has been a member of the Association of Chartered Certified Accountants since 2008.

WPHP was the Chief Financial Officer and a director of Far City Mining Co. Ltd, participating in the listing of the company on the Canadian Securities Exchange. Coupled with his experience working at Ho & Lam CPA Ltd. in Hong Kong, he is very experienced in financial management.

3.2.3 The Board, taking into account the views of the Nominating and Corporate Governance Committee of the Company, is of the opinion that TCK and WPHP remain independent under guideline 2.3 of the Code of Corporate Governance 2012 in the context of the proposed transactions contemplated in this Circular, on the basis that TCK and WPHP did not participate in the Board's discussions on the Placement and the Investment Repayment. TCK and WPHP accordingly remain as Directors independent of the Company. As further detailed in paragraph 6.2 and paragraph 9.2 below, (i) TCK and WPHP have abstained from giving recommendations on the issue of Investment Shares as repayment of the Investment Amount, and (ii) TCK, WPHP, and each of their Associates will abstain from voting on the resolution relating to the issue of Investment Shares as repayment of the Investment Amount at the EGM in respect of their shareholdings in the Company.

3.2.4 The Investors were introduced to the Company by an unrelated third party for a fee of 5% on the Investment Amount.

3.2.5 Although the Investors were not Directors of the Company when entering into the Investment Agreements on 3 July 2015, the Investors have since been appointed as Directors of the Company, and are *prima facie* persons to whom the Company is prohibited from issuing shares, as provided for under Rule 812(1) of the Catalist Rules. Rule 812(2) of the Catalist Rules however provides, *inter alia*, that Rule 812(1) will not apply if specific shareholder approval is obtained for a placement by an issuer to its directors. Such directors and their associates must abstain from voting on the resolution approving such a placement. In relation to the Investment Repayment, it is noted that specific shareholder's approval is being sought for the allotment and issue of the Investment Shares. Further, TCK and WPHP will, and will procure their respective Associates to, abstain from voting on the respective allotment and issue of the Investment Shares at the EGM in respect of their shareholdings in the Company and shall not accept nominations as proxies or otherwise for voting on the resolution relating to the allotment and issue of the Investment Shares. Save for the above, the Investors have no further connection (including business relationships) with each other, the Placement Subscribers, the Company, its Directors and Substantial Shareholders, and are not any other persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Catalist Rules.

3.2.6 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 Take-over Code. Furthermore, whilst ZXL and TCK will each be one of the largest Shareholders of the Company following the Placement and Investment Repayment respectively (each owning 5.07% of the Company's enlarged share capital), under the Catalist Rules, each of their shareholding does not enable either of them to exercise effective control over the Company and hence the Company is of the view that the Investment Repayment will not result in a transfer of controlling interest in the Company.

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## LETTER TO SHAREHOLDERS

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### 3.3 Rationale for the Investment Repayment

As its present cash flow is extremely limited and tight, the Company undertook to procure the Investment Amount which would be for the purposes of funding its day-to-day operations and for repayment of the fees and cost incurred in applying for the resumption of trading in the Shares. A further breakdown of the use of the Investment Amount is provided in paragraph 3.5 below.

The Investment Repayment represents a repayment to the Company's Investors (by way of issuing Investment Shares to them in regard to their earlier provision of the Investment Amount to the Company); a repayment thereof which, if not carried out, will result in the Company experiencing working capital issues.

The Directors are of the opinion that, after taking into account the Group's present banking facilities, the net proceeds from the issue of the Subscription Shares, and the net proceeds expected to be received from the rights issue exercise to be conducted by the Company, the Group has sufficient working capital to meet its present requirements.

### 3.4 Salient Terms of the Investment Repayment

#### 3.4.1 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 Investors) having been obtained from the SGX-ST and remaining in full force and effect and where such notice is given subject to conditions which must be fulfilled on or before the Completion Date, such conditions being reasonably acceptable to the Investors 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 of the Investment Shares by the Investors 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 therein 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 purposes of Paragraph 3.4.1 means the date notified in writing by the Company to the relevant Investor as the date of completion of the Investment Agreements, being a date no later than the seventh (7<sup>th</sup>) Business Day (as defined in the Investment Agreements) after the satisfaction of the last of the conditions set out in clause 7.4 of the Investment Agreements, or such other date as may be agreed between the Company and the relevant Investor.

#### 3.4.2 Premium

The Investment Price represents a premium of approximately 10% over the weighted average price of S\$0.0020 of the Company's Shares for trades done on the 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 was halted and since subsequently suspended.

## LETTER TO SHAREHOLDERS

### 3.5 Use of Investment Proceeds

#### 3.5.1 Intended Use

As announced by the Company on 21 July 2015 (Announcement Reference SG150721OTHRP3K1), the Company intends to use 100% of the Investment Amount (after making deductions for expenses arising in connection therewith) for its working capital purposes (the “**Investment Proceeds**”) in the following estimated proportions:

Intended Use of Investment Proceeds		Percentage Allocation of Investment Proceeds
(a)	To repay the Group’s existing liabilities (including but not limited to legal and professional fees and other miscellaneous expenses incurred to date)	34%
(b)	To fund the special audit (including special auditors’ fee, various costs (including legal and payroll and supporting costs) to review and prepare for the special audit)	15%
(c)	To fund the preparation of the Company’s audit for the financial year ended 31 December 2014, preparation and issuance of annual report and the holding of the annual general meeting of the Company	20%
(d)	To fund the salaries of the Group’s employees, legal and professional fees and ancillary expenses for the Group going forward	31%

#### 3.5.2 Utilisation of Investment Proceeds

The Company announced on 28 September 2015 (Announcement Reference SG150928OTHRNISK) that approximately 39% of the net Investment Proceeds raised pursuant to the Investment Agreement have been utilised in the following manner:

	SGD (’000)
Gross proceeds raised pursuant to the Investment Agreement	2,090
Less introducer fees	(105)
<b>Net Investment Proceeds</b>	<b>1,985</b>

39% of the Net Investment Proceeds have been utilised in the following manner:		
(a)	To repay the Group’s existing liabilities (including but not limited to legal and professional fees and other miscellaneous expenses incurred to date)	308
(b)	To fund the special audit (including special auditors’ fee, various costs (including legal and payroll and supporting costs) to review and prepare for the special audit)	122
(c)	To fund the preparation of the Company’s audit for the financial year ended 31 December 2014, preparation and issuance of annual report and the holding of the annual general meeting of the Company	39

## LETTER TO SHAREHOLDERS

(d)	To fund the salaries of the Group's employees, legal and professional fees and ancillary expenses for the Group going forward	298
Total Investment Proceeds utilised		767

The announced utilisation of the net Investment Proceeds is consistent with the information disclosed in the Company's previous announcements on the intended use of the same. Subsequent to the aforementioned, as at the date of this announcement, the Company has a remaining available balance of approximately S\$1.2 million from the Investment Proceeds. The Board will continue to make periodic announcements on the utilisation of the balance of the Investment Proceeds as and when such proceeds are materially deployed.

#### 4. **FINANCIAL EFFECTS OF THE PLACEMENT AND THE INVESTMENT REPAYMENT**

The *pro forma* financial effects of the Placement and Investment Repayment, based on the audited consolidated financial statements of the Company and the Group for the financial years ended 31 December 2013 ("FY2013") and 31 December 2014 ("FY2014"), are set out below. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after the Placement and the Investment Repayment.

##### 4.1 **Net Tangible Assets for FY2013**

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 31 December 2013, the effect on the net tangible assets ("**NTA**") per share of the Group as at 31 December 2013 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Consolidated NTA attributable to the Shareholders (RMB'000)	233,442	252,441 <sup>(1)</sup>
Number of Shares ('000) <sup>(2)</sup>	7,966,783	9,866,783
Consolidated NTA per share attributable to the Shareholders (RMB fens)	2.93	2.56

**Notes:**

- (1) Inclusive of net proceeds of RMB 19.0 million, after deducting introducer fees of RMB 1.3 million.  
(2) As at the Latest Practicable Date, taking into account 1,277,777,777 Shares issued to Sinowealth Capital Limited, Jadeite Capital, and Mr. Christopher Chong Meng Tak on 12 June 2014.

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## LETTER TO SHAREHOLDERS

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### 4.2 Earnings per Share for FY2013

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 1 January 2013, the effect on the earnings per share of the Group for the financial year ended 31 December 2013 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Consolidated profit after taxation and minority interests (RMB'000)	76,068	76,068
Weighted average number of shares ('000) <sup>(1)</sup>	7,966,783	9,866,783
Consolidated earnings per share (RMB fens)	0.95	0.77

**Notes:**

- (1) As at the Latest Practicable Date, taking into account 1,277,777,777 Shares issued to Sinowalth Capital Limited, Jadeite Capital, and Mr. Christopher Chong Meng Tak on 12 June 2014.

### 4.3 Gearing for FY2013

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 31 December 2013, the effect on the gearing of the Group as at 31 December 2013 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Total Debts (RMB'000)	17,337	17,337
Total Equity (RMB'000)	233,444	252,443 <sup>(1)</sup>
Gearing Ratio (times)	0.07	0.07

**Notes:**

- (1) Included net proceeds of RMB 19.0 million, after deducting introducer fees of RMB 1.3 million.



## LETTER TO SHAREHOLDERS

### 4.4 Net Tangible Assets for FY2014

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 31 December 2014, the effect on the net tangible assets ("NTA") per share of the Group as at 31 December 2014 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Consolidated NTA attributable to the Shareholders (RMB'000)	3,145	22,144 <sup>(1)</sup>
Number of Shares ('000) <sup>(2)</sup>	7,966,783	9,866,783
Consolidated NTA per share attributable to the Shareholders (RMB fens)	0.04	0.22

**Notes:**

- (1) Inclusive of net proceeds of RMB 19.0 million, after deducting introducer fees of RMB 1.3 million.  
(2) As at the Latest Practicable Date.

### 4.5 Earnings per Share for FY2014

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 1 January 2014, the effect on the earnings per share of the Group for the financial year ended 31 December 2014 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Consolidated loss after taxation and minority interests (RMB'000)	(252,905)	(252,905)
Weighted average number of shares ('000) <sup>(1)</sup>	7,966,783	9,866,783
Consolidated loss per share (RMB fens)	(3.17)	(2.56)

**Notes:**

- (1) As at the Latest Practicable Date.

## LETTER TO SHAREHOLDERS

### 4.6 Gearing for FY2014

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount is completed on 31 December 2014, the effect on the gearing of the Group as at 31 December 2014 will be as follows:

	Before the Placement and issue of Investment Shares as repayment of the Investment Amount	After the Placement and issue of Investment Shares as repayment of the Investment Amount
Total Debts (RMB'000)	-	-
Total Equity (RMB'000)	3,145	22,144 <sup>(1)</sup>
Gearing Ratio (times)	-	-

**Notes:**

(1) Included net proceeds of RMB 19.0 million, after deducting introducer fees of RMB 1.3 million.

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AND SHAREHOLDING STRUCTURE OF THE COMPANY

#### 5.1 Prior to the Placement and issue of Investment Shares as repayment of the Investment Amount

The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Mr Christopher Chong Meng Tak	277,777,777	3.49	-	-	277,777,777	3.49
Mr Teo Cheng Kwee <sup>(2)</sup>	-	-	500,000,000	6.28	500,000,000	6.28
Mr Wong Pak Him Patrick <sup>(3)</sup>	-	-	450,000,000	5.65	450,000,000	5.65
<b>Substantial Shareholders</b>						
Mr Teo Cheng Kwee <sup>(2)</sup>	-	-	500,000,000	6.28	500,000,000	6.28
Mr Wong Pak Him Patrick <sup>(3)</sup>	-	-	450,000,000	5.65	450,000,000	5.65
Mr Zhu Xiaolin <sup>(4)</sup>	-	-	500,000,000	6.28	500,000,000	6.28
Mr Tao Xucheng <sup>(5)</sup>	-	-	450,000,000	5.65	450,000,000	5.65

## LETTER TO SHAREHOLDERS

**Notes:**

- (1) Calculated based on 7,966,782,808 Shares in the capital of the Company.
- (2) Pursuant to his respective Investment Agreement, TCK has agreed to subscribe for 500,000,000 Investment Shares, and as such is deemed, pursuant to section 4 of the SFA, to be interested in such number of Shares.
- (3) Pursuant to his respective Investment Agreement, WPHP has agreed to subscribe for 450,000,000 Investment Shares, and as such is deemed, pursuant to section 4 of the SFA, to be interested in such number of Shares.
- (4) Pursuant to his respective Share Subscription Agreement, ZXL has agreed to subscribe for 500,000,000 Subscription Shares, and as such is deemed, pursuant to section 4 of the SFA, to be interested in such number of Shares.
- (5) Pursuant to his respective Share Subscription Agreement, TXC has agreed to subscribe for 450,000,000 Subscription Shares, and as such is deemed, pursuant to section 4 of the SFA, to be interested in such number of Shares.

### 5.2 After completion of the Placement and issue of Investment Shares as repayment of the Investment Amount

Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount are completed, the effects of the Placement and the issue of Investment Shares as repayment of the Investment Amount on the shareholding structure of the Company are set out below:

<b>Assuming that the Placement and issue of Investment Shares as repayment of the Investment Amount are completed</b>						
<b>Direct Interest</b>			<b>Deemed Interest</b>		<b>Total Interest</b>	
No. of Shares	%( <sup>1</sup> )	No. of Shares	%( <sup>1</sup> )	No. of Shares	%( <sup>1</sup> )	
<b>Directors</b>						
Mr Christopher Chong Meng Tak	277,777,777	2.82	-	-	277,777,777	2.82
Mr Teo Cheng Kwee	500,000,000	5.07	-	-	500,000,000	5.07
Mr Wong Pak Him Patrick	450,000,000	4.56	-	-	450,000,000	4.56
<b>Substantial Shareholders</b>						
Mr Teo Cheng Kwee	500,000,000	5.07	-	-	500,000,000	5.07
Mr Zhu Xiaolin	500,000,000	5.07	-	-	500,000,000	5.07

**Notes:**

- (1) Calculated based on 9,866,782,808 Shares in the capital of the Company.

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## **LETTER TO SHAREHOLDERS**

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### **6. DIRECTORS' RECOMMENDATION**

#### **6.1 The Placement**

After having considered, amongst other things, the terms and rationale of the Placement, the Directors are unanimously of the view that the Placement is in the best interests of the Company and the Shareholders. Accordingly, the Directors unanimously recommend that the Shareholders vote in favour of the Placement.

#### **6.2 The Investment Repayment**

After having considered, amongst other things, the terms and rationale of the issue of Investment Shares as repayment of the Investment Amount, the Directors (other than TCK and WPHP, in view of their interests in the Investment Repayment) are unanimously of the view that the issue of Investment Shares as repayment of the Investment Amount is in the best interests of the Company and the Shareholders. Accordingly, the Directors (other than TCK and WPHP, in view of their interests in the Investment Repayment) unanimously recommend that the Shareholders vote in favour of the issue of Investment Shares as repayment of the Investment Amount.

### **7. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 22 of this Circular, will be held at 55 Market Street, #09-02 Singapore 048941 on 15 December 2015 at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modification the Ordinary Resolutions set out in the Notice of EGM.

### **8. ACTION TO BE TAKEN BY THE SHAREHOLDERS**

8.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624, not less than 48 hours before the time for holding the EGM. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy.

8.2 A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 48 hours before the EGM.

### **9. ABSTENTION FROM VOTING**

9.1 Shareholders who are interested in the Ordinary Resolutions should abstain from voting on the respective Ordinary Resolution in which they are interested, and should not accept appointments as proxies to vote on such Ordinary Resolution, unless they as proxies are given specific instructions as to voting.

9.2 In particular, TCK and WPHP will, and will procure their Associates to, abstain from voting on the resolution relating to the issue of Investment Shares as repayment of the Investment Amount at the EGM in respect of their shareholdings in the Company and shall not accept nominations as proxies or otherwise for voting on such resolution.

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## LETTER TO SHAREHOLDERS

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### 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Placement and the Investment Repayment, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Share Subscription Agreements; and
- (c) the Investment Agreements.

Yours faithfully

For and on behalf of the Board of Directors of  
**CEDAR STRATEGIC HOLDINGS LTD.**

**Christopher Chong Meng Tak**  
Non-executive Chairman

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### CEDAR STRATEGIC HOLDINGS LTD.

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

*All capitalised terms in the Ordinary Resolutions below and defined in the circular dated 30 November 2015 to the shareholders of the Company (the “Circular”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.*

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting of the Company will be held at 55 Market Street, #09-02 Singapore 048941 on 15 December 2015 (Tuesday) at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendment, the following Ordinary Resolutions:

**(1) ORDINARY RESOLUTION 1 – THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0026 PER SUBSCRIPTION SHARE TO MR ZHU XIAOLIN AND MR TAO XUCHENG (THE “PLACEMENT”)**

That:

- (a) approval be and is hereby given for the Placement pursuant to Section 161 of the Companies Act and Rule 805 of the Catalist Rules, on the terms and subject to the conditions of the Share Subscription Agreements, such Placement to comprise an issue of 950,000,000 Subscription Shares at the Subscription Price of S\$0.0026 per Subscription Share to Mr Zhu Xiaolin and Mr Tao Xucheng;
- (b) Mr Zhu Xiaolin will be allotted 500,000,000 Subscription Shares, while Mr Tao Xucheng will be allotted 450,000,000 Subscription Shares; and
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient, necessary to give effect to the transactions contemplated and/or authorised by this Resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

**(2) ORDINARY RESOLUTION 2 – THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0022 PER INVESTMENT SHARE TO MR TEO CHENG KWEE AND MR WONG PAK HIM PATRICK AS REPAYMENT OF THE INVESTMENT AMOUNT (THE “INVESTMENT REPAYMENT”)**

That:

- (a) approval be and is hereby given for the issue of the Investment Shares as repayment of the Investment Amount pursuant to Section 161 of the Companies Act and Rules 804, 805, 812(1) and 812(2) of the Catalist Rules, on the terms and subject to the conditions of the Investment Agreements, such issue of Investment Shares as repayment of the Investment Amount to comprise an issue of 950,000,000 Investment Shares at an Investment Price of S\$0.0022 per Investment Share to Mr Teo Cheng Kwee, a Non-executive Director of the Company, and Mr Wong Pak Him Patrick, an Independent Director of the Company;
- (b) Mr Teo Cheng Kwee will be allotted 500,000,000 Investment Shares, while Mr Wong Pak Him Patrick will be allotted 450,000,000 Investment Shares; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) save for Mr Teo Cheng Kwee and Mr Wong Pak Him Patrick, all other Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution, as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

***Note: Mr Teo Cheng Kwee and Mr Wong Pak Him Patrick will, and will procure their Associates to, abstain from voting on this Ordinary Resolution 2 in respect of their shareholdings in the Company and shall not accept nominations as proxies or otherwise for voting on the aforesaid Resolution.***

### By Order of the Board

Christopher Chong Meng Tak  
Non-executive Chairman  
30 November 2015

### Notes:

- (1) A Member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- (2) If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (3) The instrument appointing a proxy must be deposited at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624 not less than forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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## PROXY FORM

**CEDAR STRATEGIC HOLDINGS LTD.**  
 (Incorporated in the Republic of Singapore)  
 (Company Registration Number 198003839Z)  
**PROXY FORM**  
**EXTRAORDINARY GENERAL MEETING**

**IMPORTANT**

For investors who have used their CPF moneys to buy shares in the capital of CEDAR STRATEGIC HOLDINGS LTD., this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

This Proxy Form is 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.

I/We \_\_\_\_\_ (Name), NRIC/Passport Number\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of **CEDAR STRATEGIC HOLDINGS LTD.** (the “**Company**”), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

or failing \*him/her, the Chairman of the Extraordinary General Meeting (the “**Meeting**”) of the Company as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Meeting to be held at 55 Market Street, #09-02 Singapore 048941 on 15 December 2015, at 10.00 a.m. (or as soon thereafter following the conclusion of the annual general meeting of the Company which will be held at 9.00 a.m. on the same day and at the same place) and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

	ORDINARY RESOLUTIONS	For*	Against*
1.	The Placement		
2.	The Investment Repayment		

\* If you wish to exercise all your votes “For” or “Against”, please indicate your vote “For” or “Against” with “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Total Number of Shares Held

\_\_\_\_\_  
 Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE.**



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## PROXY FORM

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**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), 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 entered against 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 no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Raffles Place #26-05 UOB Plaza 1 Singapore 048624 not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Meeting if he is able to do so.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or 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 or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting.

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