

QUARTERLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

Part 1

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

Explanatory notes:

On 9 April 2015, the Company announced that it has requested for mandatory trading suspension over the Company's shares from the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 14 April 2015, the Company announced that it will be engaging an independent auditor to conduct a special audit to, *inter alia*, review and/or ascertain (as the case may be) the accounts and transactions of the Group, and whether there are any irregularities in the accounts and transactions of the Group for the financial years ended 31 December 2013 and 2014. On 3 July 2015, the new Board ("Current Board" or "Board") announced that the Company has appointed Baker Tilly Consultancy (Singapore) Pte Ltd as its independent auditor ("Special Auditor") to carry out an independent review of the disbursements of the Company and its subsidiaries, namely Trechance Holdings Limited and Futura Asset Holdings Pte Ltd ("Futura"), for the financial years ended 31 December 2013 and 2014.

Based on the findings of the Special Auditor announced by the Company on 24 November 2015, the Special Auditors analysed the Company's investment and fund raising transactions, namely (i) divestment of the titanium dioxide business, (ii) acquisition and proposed divestment of Trechance Holdings Limited and its subsidiaries, (iii) acquisition and disposal of Yess Le Green Pte. Ltd. and West Themes Pte. Ltd., (iv) acquisition of Futura Asset Holdings Pte Ltd, (v) severance payments and (vi) disbursements, in order to understand the disbursements made in context.

The Special Auditor noted weaknesses and/or lapses in corporate governance, internal controls and possible non-compliance with the Catalist Rules and has advised the Current Board to seek legal advice and follow up on the various matters noted in the report of the Special Auditor ("Special Audit Report").

The Board has appointed Baker Tilly Consultancy (Singapore) Pte Ltd ("Baker Tilly") to review and evaluate the adequacy and effectiveness of the Company's system of internal controls and work procedures and processes. This review is to ensure that the internal controls are adequate to safeguard the shareholders' investment and the Company's assets and to ensure that the Company's financial statements give a true and fair view of the Company's operations and finances. Upon the completion of the review, the Board would look into the recommendations made by Baker Tilly and take the necessary steps to further strengthen and enhance the Company's internal controls. Baker Tilly will also assist the Board in implementing an enterprise risk management ("ERM") initiative for the Group. The Board has been actively looking at the issues that the Company is currently facing including those raised by the Special Auditor, and has appointed various professionals, including Drew & Napier LLC and Shanghai Yuan Tai Law Offices to look into the various matters, including but not limited to taking legal actions or reporting the incident(s) to the relevant authorities.

The Company also wishes to highlight that the preparation of the comparative financial information for FY2014 is subject to the Limitations (as defined in Item 5 of this announcement). In light of the above, the comparative financial information disclosed in this announcement may be subject to further adjustments and revisions and the directors would like to advise shareholders to act with caution and take into consideration the Limitations when reviewing such financial information.

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

	Group					
	3 rd Qtr Ended 30/9/2015	3 rd Qtr Ended 30/9/2014	Increase/ (Decrease)	YTD 3 rd Qtr Ended 30/9/2015	YTD 3 rd Qtr Ended 30/9/2014	Increase/ (Decrease)
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	-	125,400	(100.0%)	-	170,669	(100.0%)
Cost of Sales	-	(79,083)	(100.0%)	-	(110,690)	(100.0%)
Gross Profit	-	46,317	(100.0%)	-	59,979	(100.0%)
Other Income	159	4,591	(96.5%)	175	13,553	(98.7%)
Distribution expenses	-	(118)	(100.0%)	-	(342)	(100.0%)
Administration Expenses [#]	(2,748)	(6,050)	(54.6%)	(4,580)	(19,192)	(76.1%)
Finance Costs	-	(152)	(100.0%)	-	(610)	(100.0%)
(Loss)/Profit before taxation	(2,589)	44,588	n.m.	(4,405)	53,388	n.m.
Taxation	-	-	-	-	-	-
(Loss)/Profit for the period	(2,589)	44,588	n.m.	(4,405)	53,388	n.m.
Non-Controlling Interests	-	-	-	-	-	-

n.m. : not meaningful

*: in excess of 100%

[#] Details of one-off expenses
included under Administration
Expenses in 3Q & 9M2015

- Acquisition expenses	(255)	(478)
- Introducer fee for Investment	(472)	(472)
- Special audit	(542)	(542)
	<u>(1,269)</u>	<u>(1,492)</u>

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

	Group					
	3rd Qtr Ended 30/9/2015	3rd Qtr Ended 30/9/2014	Increase/ (Decrease)	YTD 3rd Qtr Ended 30/9/2015	YTD 3rd Qtr Ended 30/9/2014	Increase/ (Decrease)
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Amortisation of intangible assets	-	-	-	-	(2)	(100.0%)
Depreciation of property, plant & equipment	(32)	(1,426)	(97.8%)	(134)	(3,739)	(96.4%)
Gain on disposal of property, plant & equipment	141	-	n.m.	141	-	n.m.
Write back of receivables	-	-	-	16	-	n.m.
Exchange loss, net	(22)	(471)	(95.3%)	(161)	(431)	(62.6%)
Interest Income	-	4,537	(100.0%)	-	13,466	(100.0%)
Rental Income	18	-	n.m.	18	-	n.m.

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

	Group					
	3rd Qtr Ended 30/9/2015	3rd Qtr Ended 30/9/2014	Increase/ (Decrease)	YTD 3rd Qtr Ended 30/9/2015	YTD 3rd Qtr Ended 30/9/2014	Increase/ (Decrease)
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
(Loss)/Profit for the period	(2,589)	44,588	n.m.	(4,405)	53,588	n.m.
Other Comprehensive income						
Currency translation differences arising from consolidation	(6)	-	n.m.	(19)	-	n.m.
- losses	-	-	-	-	-	-
- reclassification	-	-	-	-	-	-
Total Comprehensive (Loss)/Income for the period	(2,595)	44,588	n.m.	(4,424)	53,588	n.m.

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

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

	Group		Company	
	30-Sep-15 RMB'000	31-Dec-14 RMB'000	30-Sep-15 RMB'000	31-Dec-14 RMB'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	318	170	318	170
Investments in Subsidiaries	-	-	467	467
Total Non-Current Assets	318	170	785	637
Current Assets				
Trade and Other Receivables	7,416	7,328	7,547	7,328
Cash and Cash Equivalents	6,362	987	5,438	22
	13,778	8,315	12,985	7,350
Total Assets	14,096	8,485	13,770	7,987
EQUITY				
Capital and Reserves :				
Share Capital	471,355	471,355	471,355	471,355
Capital Reduction Reserve	79,151	79,151	79,151	79,151
Warrant Reserve	14,167	14,167	14,167	14,167
Foreign Currency Translation Reserve	26,738	26,757	26,760	26,760
Accumulated Losses	(592,690)	(588,285)	(590,882)	(586,640)
Equity attributable to equity holders of the Company	(1,279)	3,145	551	4,793
Non-Controlling Interests	-	-	-	-
Total Equity	(1,279)	3,145	551	4,793

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

	Group		Company	
	30-Sep-15 RMB'000	31-Dec-14 RMB'000	30-Sep-15 RMB'000	31-Dec-14 RMB'000
LIABILITIES				
Non-Current Liabilities				
Provisions	135	-	135	-
Total Non-Current Liabilities	135	-	135	-
Current Liabilities				
Trade and Other Payables	5,952	5,340	3,796	3,194
Financial Liability	9,288	-	9,288	-
Total Current Liabilities	15,240	5,340	13,084	3,194
Total Liabilities	15,375	5,340	13,219	3,194
Total Equity and Liabilities	14,096	8,485	13,770	7,987

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

	Group 30-Sep-2015		Group 31-Dec-2014	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Amount repayable in one year or less, or on demand				
Financial Liability	-	9,288	-	-
	-	9,288	-	-

There are no borrowings or debt securities repayable after one year as at 30 September 2015 and 31 December 2014.

Details of any collateral

Not Applicable

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3rd Qtr Ended 30/9/2015	3rd Qtr Ended 30/9/2014	YTD 3rd Qtr Ended 30/9/2015	YTD 3rd Qtr Ended 30/9/2014
	RMB '000	RMB '000	RMB '000	RMB '000
Cash Flows from Operating Activities				
(Loss)/Profit before taxation	(2,589)	44,588	(4,405)	53,388
Adjustments for :				
Amortisation of Intangible Assets	-	-	-	2
Depreciation of property, plant and equipment	32	1,426	134	3,739
Write back of receivables	-	-	(16)	-
Gain on disposal of property, plant and Equipment	(141)	-	(141)	-
Other taxes	-	8,397	-	13,263
Interest Income	-	(4,537)	-	(13,466)
Interest expenses	-	-	-	-
Operating (loss)/profit before Working Capital changes	(2,698)	49,874	(4,428)	56,926
Trade and Other Receivables	(372)	2,596	(89)	(11,745)
Trade and Other Payables	(668)	(110,658)	763	(153,202)
Development Properties	-	70,537	-	98,907
Cash used in operations	(3,738)	12,349	(3,754)	(9,114)
Income Tax paid	-	-	-	-
Net Cash (used in)/generated from Operating Activities	(3,738)	12,349	(3,754)	(9,114)
Cash Flows from Investing Activities				
Purchase of Plant and Equipment	(332)	-	(332)	(298)
Proceeds from disposal of property, plant and Equipment	188	-	188	-
Net Cash used in Investing Activities	(144)	-	(144)	(298)
Cash Flows from Financing Activities				
Issue of ordinary shares	-	-	-	4,915
Loan from investors	9,288	-	9,288	-
Repayment of financial liabilities	-	(17,337)	-	(17,337)
Net Cash generated from/(used in) Financing Activities	9,288	(17,337)	9,288	(12,422)
Net increase/(decrease) in Cash and Cash equivalents	5,406	(4,988)	5,390	(21,834)
Cash and Cash equivalents at beginning of period	958	17,951	987	34,421
Exchange differences on translation of Cash and Cash equivalents at beginning of period	(2)	(19)	(15)	357
Cash and Cash Equivalents at end of period	6,362	12,944	6,362	12,944

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

Consolidated Statement of Changes in Equity for the periods ended 30 September 2015 and 30 September 2014 - Group

The Group	Share capital RMB'000	Capital reduction reserve RMB'000	Warrant reserve RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total attributable to equity holders of the company RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2015	471,355	79,151	14,167	-	26,757	(588,285)	3,145	-	3,145
Total comprehensive loss for the period	-	-	-	-	(13)	(1,816)	(1,829)	-	(1,829)
Balance at 30 June 2015	471,355	79,151	14,167	-	26,744	(590,101)	1,316	-	1,316
Total comprehensive loss for the period	-	-	-	-	(6)	(2,589)	(2,595)	-	(2,595)
Balance at 30 September 2015	471,355	79,151	14,167	-	26,738	(592,690)	(1,279)	-	(1,279)

The Group	Share capital RMB'000	Capital reduction reserve RMB'000	Statutory common reserve RMB'000	Share option reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total attributable to equity holders of the company RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014	462,913	79,151	971	2,587	26,760	(338,938)	233,444	-	233,444
Total comprehensive income for the period	-	-	-	-	-	8,800	8,800	-	8,800
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	23,155	-	-	-	-	-	23,155	-	23,155
Equity-settled share options cancelled	-	-	-	(453)	-	(92)	(545)	-	(545)
Total contributions by and distributions to owners	-	-	-	(453)	-	(92)	22,610	-	22,610
Balance at 30 June 2014	486,068	79,151	971	2,134	26,760	(330,230)	264,854	-	264,854
Total comprehensive income for the period	-	-	-	-	-	44,588	44,588	-	44,588
Balance at 30 September 2014	486,068	79,151	971	2,134	26,760	(285,642)	309,442	-	309,442

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

Consolidated Statement of Changes in Equity for the periods ended 30 September 2015 and 30 September 2014 - Company

The Company	Share Capital RMB'000	Capital Reduction Reserve RMB'000	Warrant Reserve RMB'000	Foreign Currency Translation Reserve RMB'000	Accumulated Losses RMB'000	Total Equity attributable to equity holders of the Company RMB'000
Balance at 1 January 2015	471,355	79,151	14,167	26,760	(586,640)	4,793
Total Comprehensive Income for the period	-	-	-	-	(1,779)	(1,779)
Balance at 30 June 2015	471,355	79,151	14,167	26,760	(588,419)	3,014
Total Comprehensive Income for the period	-	-	-	-	(2,463)	(2,463)
Balance at 30 September 2015	471,355	79,151	14,167	26,760	(590,882)	551

The Company	Share Capital RMB'000	Capital Reduction Reserve RMB'000	Share Option Reserve RMB'000	Foreign Currency Translation Reserve RMB'000	Accumulated Losses RMB'000	Total Equity attributable to equity holders of the Company RMB'000
Balance at 1 January 2014	462,913	79,151	2,587	26,760	(345,149)	226,262
Issue of ordinary shares	23,155	-	-	-	-	23,155
Equity-settled share option expenses Cancelled	-	-	(453)	-	(92)	(545)
Total Comprehensive Income for the period	-	-	-	-	2,335	2,335
Balance at 30 June 2014	486,068	79,151	2,134	26,760	(342,906)	251,207
Total Comprehensive Income for the period	-	-	-	-	513	513
Balance at 30 September 2014	486,068	79,151	2,134	26,760	(342,393)	251,720

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

	Number of shares
Share Capital	
Ordinary shares issued and fully paid	
Balance as at 30 September 2015	7,966,782,808

There were no changes to share capital of the Company during the quarter ended 30 September 2015.

As at 30 September 2015, convertibles (including options to subscribe for ordinary shares in our Company) that remained outstanding are as follows:

	As at 30 Sep 2015 No. of Shares	As at 30 Sep 2014 No. of Shares
Share Options granted on 25 May 2010 (exercisable on and after 25 May 2011)	-	10,000,000
Share Options granted on 30 August 2012 (exercisable on and after 30 August 2013)	-	107,000,000
Warrants granted on 15 April 2013 (expire on 14 April 2016)	250,000,000	250,000,000
Warrants granted on 12 June 2014 (expire on 11 June 2017)	1,277,777,777	1,277,777,777
	1,527,777,777	1,644,777,777

The Company did not hold any treasury shares as at 30 September 2015 and 30 September 2014.

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

The Company's total number of issued shares (excluding treasury shares) as at 30 September 2015 is 7,966,782,808 (31 December 2014 : 7,966,782,808)

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

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

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

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

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

Not Applicable.

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

Except for the adoption of the Amendments to FRSs applicable for the financial year beginning on or after 1 January 2015, the same accounting policies and methods of computation have been applied. The adoption of Amendments to FRSs did not have any effect on the financial performance or position of the Group.

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

The Group has adopted all the amendments to FRSs that are effective for the annual periods beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

In addition, the background and limitations relating to the preparation of the comparative financial information for FY2014 are described under the *basis for disclaimer of opinion* of the Independent Auditors' Report by Foo Kon Tan LLP dated 24 November 2015 ("Limitations").

Cautionary Note

In view of the matters described under the Limitations, the Company is unable to ascertain the impact, if any, on the comparative financial results for FY2014 and there is no assurance that there are no material facts not known to the current management that may require the FY2014 financial results to be further adjusted. The Company has also appointed various professionals such as Drew & Napier LLC and Shanghai Yuan Tai Law Offices to look into the various matters noted in the Special Audit Report, including but not limited to taking legal actions or reporting the incident(s) to the relevant authorities. In the Independent Auditors' Report, the auditors have highlighted various matters which resulted in their inability to provide a basis for an audit opinion. In this regard, they brought some of these discrepancies to the attention of the relevant authorities in accordance with the statutory obligations imposed on them as auditors of the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-
- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	3 rd Qtr Ended 30/9/2015	3 rd Qtr Ended 30/9/2014	YTD 3 rd Qtr Ended 30/9/2015	YTD 3 rd Qtr Ended 30/9/2014
<i>(Loss)/Profit per ordinary share:</i>				
(i) Based on weighted average no. of ordinary shares in issue (fen)	(0.03)	0.56	(0.05)	0.74
(ii) On a fully diluted basis (fen)	(0.03)	0.53	(0.05)	0.70
<i>Number of shares in issue:</i>				
(i) Based on weighted average no. of ordinary shares in issue (in million)	7,967	7,967	7,967	7,208
(ii) On a fully diluted basis (in million)	7,967	8,376	7,967	7,618

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

Diluted earnings/(loss) per ordinary share is calculated based on the same basis as earnings/(loss) per share by adjusting the weighted average number of ordinary shares to include the outstanding warrants and options deemed converted up to the respective reporting periods. In 2015, the diluted loss per share is the same as basic loss per share as the Group does not have any dilutive capital instruments.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital (excluding treasury shares) of the issuer at the end of the :**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
Net Asset Value (RMB'000)	(1,279)	3,145	551	4,793
Based on existing issued share capital (fen per share)	(0.02)	0.04	0.01	0.06
Net Asset Value has been computed based on the share capital of (in million of shares)	7,967	7,967	7,967	7,967

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

Explanatory Note

The comparative consolidated financial statements of the Group for FY2014 contained the results of the following wholly owned subsidiaries, (i) Guizhou Cedar Huacheng Investment Management Co., Ltd, (ii) Guiyang Shunhe Real Estate Development Co., Ltd, (iii) Guizhou Shengxiang Investment Management Co., Ltd and (iv) Guizhou Huamao Assets Operation Management Co., Ltd (collectively known as "PRC entities" or the "Investees") for the period from 1 January 2014 to 30 September 2014. No accounting records were furnished to the current management in Singapore for the period from 1 October 2014 to 31 December 2014 in respect of the PRC entities following the resignation of the entire finance team in the People's Republic of China ("PRC").

Due to the unavailability of the accounting records and the loss of control of the PRC entities (as the Company no longer has the practical ability to direct the relevant activities of the said PRC entities), the Company eventually made full impairment provisions in 4Q2014 on (i) property, plant and equipment (RMB 72.8 million) and (ii) carrying amounts of the net current assets (RMB 15.6 million) comprising gross current assets of RMB 489.7 million and gross current liabilities of RMB 474.1 million, based on the management accounts of the PRC entities as at 30 September 2014.

Review of Financial Performance (3Q2015 vs 3Q2014)

The Group, comprised of predominantly investment holding companies as at 30 September 2015 (given that the current Board has discovered that, contrary to previous statements by the previous Board, Futura was not an operating entity.), did not generate any revenue for 3Q2015. Revenue in 3Q2014 was contributed by the Trechance Group arising mainly from the sale of property units in the "Xiao Cheng Gu Shi" project. Gross profit of approximately RMB 46.3 million was recorded for 3Q2014, after deducting direct costs of approximately RMB 79.1 million for the same period.

Direct cost of RMB 79.1 million for 3Q2014 was derived from the cost of property units in “Xiao Cheng Gu Shi” project.

Other income declined from RMB 4.6 million in 3Q2014 to RMB 159,000 in 3Q2015 as approximately RMB 4.5 million for 3Q2014 was derived mainly from interest income on the loans to the vendor of the Trechance Group. The Company has assessed the collectability of these loans and made full impairment in 4Q2014. As such, no interest income was recognized on the loans for 3Q2015. Other income of RMB 159,000 for 3Q2015 comprised of gain on disposal of motor vehicle of RMB 141,000 and rental income of RMB 18,000 from sub-lease of office space.

Administration expenses decreased from RMB 6.1 million in 3Q2014 to RMB 2.7 million in 3Q2015, mainly due to the deconsolidation of the PRC entities following the loss of control of the said PRC entities in 4Q2014.

Distribution expenses, finance costs and depreciation of property, plant and equipment and finance costs also decreased in 3Q2015 compared to 3Q2014 mainly due to the deconsolidation of the PRC entities. The one-off acquisition expenses in 3Q2015 was incurred for the acquisition of Huizhou Daya Bay Mei Tai Cheng Property Development Co., Ltd..

Review of Financial Position (30 September 2015 vs 31 December 2014)

Property, plant and equipment increased mainly due to purchase of furniture and office equipment and capitalization of office renovation. Trade and other receivables increased mainly due to higher office rental deposit, which was partially offset by unrealized exchange loss arising from the weakening of the SGD against the RMB in relation to the consideration receivable from New Inspiration of S\$ 1.5 million (which arose from the disposal of subsidiaries in FY2013). Trade and other payables increased mainly due to payables and accrued operating expenses relating to legal, professional and other ancillary expenses. Provision for reinstatement costs of RMB 135,000 (classified as non-current liability) was made in 3Q2015. In July 2015, the company secured short term loans of about S\$2 million (equivalent to RMB 9.3 million).

Cash Flow

Net cash used in operating activities was approximately RMB 3.7 million for 3Q2015 (largely as a result of the net loss before taxation and working capital changes), compared with net cash generated from operating activities of RMB 12.3 million in 3Q2014. There was a net cash outflow from investing activities of RMB 0.1 million for 3Q2015 mainly due to purchase of furniture and office equipment and capitalization of office renovation, which was partially offset by the proceeds from disposal of a motor vehicle. Net cash generated from financing activities was RMB 9.3 million for 3Q2015 arising from short term loans of about S\$2 million (equivalent to RMB 9.3 million), whilst net cash used in financing activities was RMB 17.3 million for 3Q2014 due to the repayment of a bank loan.

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

Not applicable.

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

On 4 November 2015, a wholly-owned subsidiary of the Company, Cedar Properties Pte. Ltd.,

acquired 60% of the registered capital of the Huizhou Daya Bay Mei Tai Cheng Property Development Co., Ltd. (惠州大亚湾美泰诚房地产开发有限公司) (“Target Company”) for an aggregate consideration of RMB 48 million. The Target Company is the sole developer of a project in No. 3 Xia Guang Road West, Xiao Chong Town, Daya Bay District, Huizhou, Guangdong Province, the PRC and comprised of, *inter alia*, 1,099 suites of decorated apartments. The Company believes that the acquisition provides a valuable opportunity for growth and the Target Company is expected to contribute to the Company’s financials for 4Q2015.

11. Dividend

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

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared or recommended.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Christopher Chong Meng Tak and Tan Thiam Hee, being two of the Directors of Cedar Strategic Holdings Ltd. (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of the Board’s knowledge, except for the Limitations (as defined in Item 5 of this announcement), nothing has come to the attention of the Board which may render the unaudited financial information for the 3rd quarter ended 30 September 2015 to be false or misleading in any material aspect.

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

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

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

The details of the net proceeds utilized as at 30 September 2015 are as follows:

Intended Use	Amount Allocated	Amount Utilised
	S\$'000	S\$'000
Real estate development and/or investment in real estate assets	4,350	4,350

Pursuant to the terms of the Subscription Agreements, the Company raised the sum of S\$4,600,000 by issuing an aggregate of 1,277,777,777 new shares in the share capital of the Company at an issue price of S\$0.0036 per share, with 1,277,777,777 free detachable unlisted warrants, on the basis of one (1) free warrant for every one (1) share at an exercise price of S\$0.0036 on 29 August 2014. The net proceeds of approximately S\$4,350,000 (after deducting estimated expenses of approximately S\$250,000) as at 29 August 2014 had been fully utilised to fund the development of real estate projects and/or investment in real estate and/or related assets (i.e. payment made in connection with the acquisition of Trechance Holdings Ltd. and its subsidiaries). The Current Board however noted that the Company's announcement dated 29 August 2014 may contain factual inaccuracies as payment amounting to S\$752,096 may have already been paid out of the aforesaid proceeds prior to the said announcement.

ON BEHALF OF THE DIRECTORS

Christopher Chong Meng Tak
Non-Executive Chairman

BY ORDER OF THE BOARD
15 December 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 Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

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

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