

QUARTERLY FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2016

Part 1

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

BACKGROUND NOTE TO ASSIST THE UNDERSTANDING OF THIS ANNOUNCEMENT:

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 (being all new directors unrelated to the previous Board, the "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.

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 Audit Report, as announced by the Company on 24 November 2015, noted weaknesses and/or lapses in corporate governance, internal controls and possible non-compliance with the Catalist Rules and advised the new Board to seek legal advice and follow up on the various matters noted.

Following the receipt of the Special Audit Report, the Board implemented a new governance framework, new internal controls, new operating procedures, new compliance rules and new IT guidelines. The Board then 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 established are adequate to ensure the integrity of the Company's financial statements, security of the Company's assets, proper operation of the Company's business and that the Company is in compliance with all laws and regulations.. The review has been completed. Whilst the review found the new frameworks and controls adequate, there were a few recommendations to further strengthen and enhance the Company's internal controls. Accordingly, the Board has been working with management to implement the same. The Board has also commissioned Baker Tilly to help management implement an enterprise risk management ("ERM") system.

The Board is also actively looking at other issues raised by the Special Auditor, and has appointed various professionals, including Drew & Napier LLC, Shanghai Yuan Tai Law Offices and Angela Wang & Co, Solicitors to look into the various matters, including but not limited to taking legal actions or reporting the incident(s) to the relevant authorities. As updated in the announcements

made on 18 January 2016 and 6 April 2016, the Board has signed a settlement agreement with Dr In Nany Sing Charlie (“Charlie In”), New Inspiration Development Limited (“New Inspiration”) and West Themes Pte Ltd (“West Themes”) on the recovery of S\$1.5 million relating to the proposed disposal of the property located at 1120 and 1120A Serangoon Road, Singapore 328205 (“Serangoon Road Property”) held by West Themes. Charlie In, New Inspiration and West Themes have agreed to take all necessary steps to ensure that the sale proceeds from any sale of the Serangoon Road Property (“Sale Proceeds”) are paid directly to the Company. If the Sale Proceeds are less than the aforesaid sum of S\$1.5 million, Charlie In and New Inspiration are jointly and severally obliged to pay the Company the difference between the Sale Proceeds and the sum of S\$1.5 million within 30 days from the date of completion of the sale of the Serangoon Road Property. If the sale of the Serangoon Road Property is not completed by 31 July 2016, Charlie In shall transfer the full legal and beneficial title to all of Charlie In’s shares in West Themes (comprising 100% of the shares in West Themes) to the Company in full repayment of the S\$1.5 million receivable. The only asset that West Themes currently owns is the Serangoon Property. As at 31 December 2014, the net tangible assets and net asset value of West Themes was approximately S\$596,000.

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		
	1st Qtr Ended 31/3/2016	1st Qtr Ended 31/3/2015	Increase/ (Decrease)
	RMB ‘000	RMB ‘000	%
Revenue	24,486	-	n.m.
Cost of Sales	(19,757)	-	n.m.
Gross Profit	4,729	-	n.m.
Other Income	15	16	(6.3%)
Distribution Costs	(1,105)	-	n.m.
Administration Expenses	(3,141)	(1,240)	n.m.*
Finance Costs	(1,889)	-	n.m.
Loss before taxation	(1,391)	(1,224)	13.6%
Taxation	(1,139)	-	n.m.
Loss for the period	(2,530)	(1,224)	n.m.*
Attributable to:			
Owners of the Company	(3,262)	(1,224)	n.m.*
Non-Controlling Interests	732	-	n.m.
	(2,530)	(1,224)	n.m.*

n.m. : not meaningful

*: in excess of 100%

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

	Group		
	1st Qtr	1st Qtr	Increase/ (Decrease)
	Ended 31/3/2016	Ended 31/3/2015	
	RMB '000	RMB '000	%
Depreciation of property, plant & equipment	(224)	(51)	n.m.*
Write back of receivables	-	16	(100.0%)
Exchange loss, net	(292)	(201)	45.3%
Interest income	15	-	n.m.
Imputed interest expense	(1,889)	-	n.m.
Rental income	2,477	-	n.m.

n.m. : not meaningful

*: in excess of 100%

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

	Group		
	1st Qtr	1st Qtr	Increase/ (Decrease)
	Ended 31/3/2016	31/3/2015	
	RMB '000	RMB '000	%
Loss for the period	(2,530)	(1,224)	n.m.*
Other Comprehensive income			
Currency translation differences arising from consolidation			
- profit/(loss)	15	(19)	n.m.
Total Comprehensive Loss for the period	(2,515)	(1,243)	n.m.*
Attributable to:			
Owners of the Company	(3,247)	(1,243)	n.m.*
Non-controlling interests	732	-	n.m.
	(2,515)	(1,243)	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	
	31-Mar-16 RMB'000	31-Dec-15 RMB'000	31-Mar-16 RMB'000	31-Dec-15 RMB'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	6,081	6,305	498	549
Investment Properties	265,500	265,500	-	-
Investments in Subsidiaries	-	-	467	467
Total Non-Current Assets	271,581	271,805	965	1,016
Current Assets				
Development Properties	149,566	169,085	-	-
Trade and Other Receivables	12,320	15,443	5,930	5,711
Cash and Cash Equivalents	39,998	18,356	10,153	544
Total Assets	473,465	474,689	17,048	7,271
EQUITY				
Capital and Reserves :				
Share Capital	492,568	471,355	492,568	471,355
Capital Reduction Reserve	79,151	79,151	79,151	79,151
Capital Reserve	10,453	10,453	-	-
Warrant Reserve	14,167	14,167	14,167	14,167
Foreign Currency Translation Reserve	26,767	26,752	26,760	26,760
Accumulated Losses	(584,049)	(580,787)	(601,391)	(598,918)
Equity attributable to equity holders of the Company	39,057	21,091	11,255	(7,485)
Non-Controlling Interests	45,199	44,467	-	-
Total Equity	84,256	65,558	11,255	(7,485)

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	
	31-Mar-16 RMB'000	31-Dec-15 RMB'000	31-Mar-16 RMB'000	31-Dec-15 RMB'000
LIABILITIES				
Non-Current Liabilities				
Provisions	135	135	135	135
Deferred Tax Liabilities	43,651	45,130	-	-
Financial Liabilities	103,286	101,980	-	-
Total Non-Current Liabilities	147,072	147,245	135	135
Current Liabilities				
Trade and Other Payables	167,832	170,916	5,658	14,621
Deposits from Customers on Purchase of Development Properties	60,797	80,030	-	-
Current Tax Payable	13,508	10,940	-	-
Total Current Liabilities	242,137	261,886	5,658	14,621
Total Liabilities	389,209	409,131	5,793	14,756
Total Equity and Liabilities	473,465	474,689	17,048	7,271

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

	Group 31-Mar-2016		Group 31-Dec-2015	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Amount repayable in one year or less, or on demand				
Financial Liabilities	-	-	-	9,589
	-	-	-	9,589

There are no borrowings or debt securities repayable after one year as at 31 March 2016 and 31 December 2015.

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	
	1st Qtr Ended 31/3/2016	1st Qtr Ended 31/3/2015
	RMB '000	RMB '000
Cash Flows from Operating Activities		
Loss before taxation	(1,391)	(1,224)
Adjustments for :		
Depreciation of property, plant and equipment	224	51
Write back of receivables	-	(16)
Interest income	(15)	-
Imputed interest expenses	1,889	-
Operating profit/(loss) before Working Capital changes	707	(1,189)
Trade and Other Receivables	3,123	352
Trade and Other Payables	(13,361)	815
Development Properties	19,519	-
Net Cash from/(used in) Operating Activities	9,988	(22)
Cash Flows from Investing Activities		
Interest received	15	-
Net Cash generated from Investing Activities	15	-
Cash Flows from Financing Activities		
Issue of ordinary shares	11,624	-
Net Cash generated from Financing Activities	11,624	-
Net increase/(decrease) in Cash and Cash Equivalents	21,627	(22)
Cash and Cash equivalents at beginning of period	18,356	987
Exchange differences on translation of Cash and Cash equivalents at beginning of period	15	(19)
Cash and Cash Equivalents at end of period	39,998	946

- 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 31 March 2016 and 31 March 2015 - Group

The Group	Share capital RMB'000	Capital reduction reserve RMB'000	Capital reserve RMB'000	Warrant 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 2016	471,355	79,151	10,453	14,167	26,752	(580,787)	21,091	44,467	65,558
Total comprehensive income/(loss) for the period	-	-	-	-	15	(3,262)	(3,247)	732	(2,515)
Transactions with owners, recognised directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	21,213	-	-	-	-	-	21,213	-	21,213
Balance at 31 March 2016	492,568	79,151	10,453	14,167	26,767	(584,049)	39,057	45,199	84,256
The Group									
	Share capital RMB'000	Capital reduction reserve RMB'000	Capital reserve RMB'000	Warrant 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	-	-	-	-	(19)	(1,224)	(1,243)	-	(1,243)
Balance at 31 March 2015	471,355	79,151	-	14,167	26,738	(589,509)	1,902	-	1,902

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 31 March 2016 and 31 March 2015 - 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 2016	471,355	79,151	14,167	26,760	(598,918)	(7,485)
Issue of ordinary shares	21,213	-	-	-	-	21,213
Total Comprehensive loss for the period	-	-	-	-	(2,473)	(2,473)
Balance at 31 March 2016	492,568	79,151	14,167	26,760	(601,391)	11,255

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 loss for the period	-	-	-	-	(1,192)	(1,192)
Balance at 31 March 2015	471,355	79,151	14,167	26,760	(587,832)	3,601

- 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 1 January 2016	7,966,782,808
Issue of 950 million new shares arising from the placement at an issue price of S\$0.0026 per share (“Placement”) and issue of 950 million new shares at an issue price of S\$0.0022 per share to repay the investment amount (“Investment”), both completed on 31 March 2016	1,900,000,000
Balance as at 31 March 2016	9,866,782,808

Saved as disclosed above, there were no changes to share capital during the quarter ended 31 March 2016.

As at 31 March 2016, convertibles (including options to subscribe for ordinary shares in our Company) that remained outstanding are as follows:

	As at 31 Mar 2016 No. of Shares	As at 31 Mar 2015 No. of Shares
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	1,527,777,777

The Company did not hold any treasury shares as at 31 March 2016 and 31 March 2015.

- 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 31 March 2016 is 9,866,782,808 (31 December 2015: 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 2016, 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 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group.

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	
	1st Qtr Ended 31/3/2016	1st Qtr Ended 31/3/2015
<i>Loss per ordinary share:</i>		
(i) Based on weighted average no. of ordinary shares in issue (fen)	(0.04)	(0.02)
(ii) On a fully diluted basis (fen)	(0.04)	(0.02)
<i>Number of shares in issue:</i>		
(i) Based on weighted average no. of ordinary shares in issue (in million)	7,988	7,967
(ii) On a fully diluted basis (in million)	7,988	7,967

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 2016, 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	
	31-Mar -16	31-Dec -15	31-Mar -16	31-Dec -15
Net Asset Value (RMB'000)	84,256	65,558	11,255	(7,485)
Based on existing issued share capital (fen per share)	0.85	0.82	0.11	(0.09)
Net Asset Value has been computed based on the share capital of (in million of shares)	9,867	7,967	9,867	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.

Review of Financial Performance (1Q2016 vs 1Q2015)

Note: Significant changes in revenues, cost of sales, other income and expenses during the financial period under review were mainly attributed to consolidation of Daya Bay project's financial performance in 1Q2016.

Further note: Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of properties is driven by project hand-over. Consequently, quarterly results may not be a good indication of profitability trend.

Revenue for 1Q2016 was contributed by Daya Bay, which was acquired on 4 November 2015, arising from the sale of property units in the Daya Bay project of RMB 22.0 million and rental of 399 units of holiday apartments (held as investment properties) of RMB 2.4 million. The Group did not generate any revenue for 1Q2015.

The Group booked revenue, and therefore profits, for units sold (sale and purchase agreement already signed) on the earlier of handing over of the property units or one month after notification to buyers to take over the property units. In line with the Chinese New Year festive holidays coupled with the winter season, business activities in 1Q2016 was slow. This was compounded by

the fact that only 46 units worth approximately RMB 22.0 million were handed over and recognized or booked as revenue in 1Q2016. The 399 units of holiday apartments held as investment properties have given us a fixed monthly rental income of RMB 2,000 per room since December 2015, amounting to RMB 2.4 million for 1Q2016. Gross profit of approximately RMB 4.7 million was recorded for 1Q2016, after deducting direct costs (consisting mainly of cost of the property units sold) of approximately RMB 19.8 million.

Distribution costs of RMB 1.1 million in 1Q2016 arose from the sale of property units in the Daya Bay project and these expenses comprise primarily of salaries and related costs for the sales and marketing staff, travelling and transportation costs, commissions and marketing expenses.

Administration expenses increased from RMB 1.2 million in 1Q2015 to RMB 3.1 million in 1Q2016, mainly due to: (i) administrative expenses incurred by the Daya Bay project, (ii) employing staff in China to oversee the Daya Bay project, (iii) higher professional costs for enhancing the corporate governance of the Group, and (iv) higher corporate expenses due to employment of management and accounting staff in Singapore.

Finance costs, taxation and depreciation of property, plant and equipment also increased in 1Q2016 compared to 1Q2015. This was mainly due to the inclusion of expenses incurred by or relating to the Daya Bay project. The finance costs of RMB 1.9 million in 1Q2016 pertained to imputed interest expenses (which have no cash flow impact) arising from the agreed deferred payment of the consideration for the acquisition of Daya Bay and interest-free loans from certain related parties of Daya Bay, the latter to be repaid by end of 2017.

Review of Financial Position (31 March 2016 vs 31 December 2015)

Property, plant and equipment decreased mainly due to the depreciation charges in 1Q2016. Development properties and deposits from customers on purchase of development properties decreased as the property units sold were progressively recognized as income upon handover. Trade and other receivables decreased mainly due to lower deposits and prepayments partially offset by higher trade receivables for the Daya Bay project.

Deferred tax liabilities decreased as the development property units were progressively sold, thereby reducing the deferred tax liabilities recognized for the development properties. Financial liabilities relate to the interest-free loans granted by certain related parties of Daya Bay and the increase in financial liabilities in 1Q2016 was caused by the unwinding of the discounts in 1Q2016. Trade and other payables decreased mainly due to repayment of the investment amounts received from directors in 1Q2016 partially offset by higher trade payables for the Daya Bay project. Current tax payable increased mainly due to contributions from the Daya Bay project in 1Q2016.

As at 31 March 2016, current liabilities exceeded current assets by RMB 40.3 million, mainly due to (i) deposits received from buyers of the development property units in the Daya Bay project amounting to RMB 60.8 million which would be reversed upon handover of these property units to the buyers and (ii) RMB 48.0 million consideration payable for the acquisition of Daya Bay.

Cash Flow

Net cash from operating activities was approximately RMB 10.0 million for 1Q2016 (largely as a result of the operating profit and working capital changes) whilst net cash used in operating activities was approximately RMB 22,000 for 1Q2015 (largely as a result of the net loss before taxation). Net cash generated from financing activities was RMB 11.6 million for 1Q2016 arising from the proceeds from issue of ordinary shares for the Placement completed on 31 March 2016.

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.**

As at 31 March 2016, approximately RMB 324.1 million of gross development value comprising 573 units (24,998 sqm) of the Daya Bay project have been sold. However, in accordance with the Group's revenue recognition policy, 46 units worth approximately RMB 22.0 million have been recognized in 1Q2016, which brings the total to 363 units recognized as at 31 March 2016. Revenue for the remaining 210 units already sold (ie. Sale and Purchase Agreement signed and deposit received) is expected to be progressively recognized in 2016 upon handover of the property units.

The Group is engaged in property investment and development, focusing on emerging markets. Currently, the Group has invested in its first project at Daya Bay, Huizhou, the Peoples' Republic of China ("China").

As reported by property services firm China Real Estate Index System (CREIS)¹, new home prices in China during the month of April 2016 increased 9% year-on-year in 100 cities, including the Huizhou region. This was also comparably higher than the 7.4% year-on-year rise in the month of March 2016. While cooling measures were applied to China's ten biggest cities, tier-2 and tier-3 cities enjoyed significant rise in prices due to the continuation of favourable governmental and regulatory initiatives. The Huizhou region emerged as one of the top cities nationwide in which home prices grew the fastest, registering a month-on-month increase of 6.3%² for the month of April 2016.

Long term recurring income and short term development profit continue to be the Group's dual engines of growth. Moving forward, the Group strives to further expand its portfolio of quality assets in order to enhance shareholder value.

Barring any unforeseen circumstances, including any adverse movements in the forex market or a further deterioration of China's macroeconomic environment, the Directors expect the group to remain profitable in FY2016.

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**

¹ "Rise in China's home prices accelerates in April", The Business Times, 4 May 2016

² "Surveys show China's property market in broad recovery", South China Morning Post, 1 May 2016

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, nothing has come to the attention of the Board which may render the unaudited financial information for the 1st quarter ended 31 March 2016 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 31 March 2016 are as follows:

Intended Use	Amount Allocated	Amount Utilised
	S\$'000	S\$'000
To fund the development of real estate projects and/or investment in real estate and/or related assets	916	-
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	1,374	717
To repay the Group's existing liabilities (including but not limited to legal and professional fees and other miscellaneous expenses incurred to date)	675	675
To fund the special audit (including special auditors' fee, various costs (including legal and payroll and	298	298

supporting costs) to review and prepare for the special audit)		
To fund the preparation of the Company's audit for FY2014, preparation and issuance of annual report and the holding of the annual general meeting of the Company	397	397
To fund the salary of the Group's employees, legal and professional fees and ancillary expenses for the Group going forward	615	615
Total net proceeds	4,275	2,702

Pursuant to the terms of the Investment and Placement Agreements, the Company raised the sum of S\$4,560,000 by issuing 950 million new shares in the share capital of the Company at an issue price of S\$0.0022 per share and another 950 million new shares in the share capital of the Company at an issue price of S\$0.0026 per share on 31 March 2016 and the net proceeds of approximately S\$4,275,000 (after deducting estimated expenses of approximately S\$285,000) as at 31 March 2016 has been utilised as above. The use of the proceeds is in accordance with the intended use.

15. Confirmation that the issuer had procured undertakings from all its directors and executive officers.

The Company confirms that it had procured undertakings from all its directors and executive officers in accordance with Rule 720(1) of the Catalist Rules.

ON BEHALF OF THE DIRECTORS

Christopher Chong Meng Tak
Non-Executive Chairman

BY ORDER OF THE BOARD
13 May 2016

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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