



CEDAR STRATEGIC HOLDINGS LTD

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FOR IMMEDIATE RELEASE

Cedar Strategic delivers steady revenue of RMB 24.5 million for 1Q2016

- Positive operating cash flow of RMB 10.0 million contributes to resilience of balance sheet with cash and cash equivalents of RMB 40.0 million
- Full quarter contribution from apartment rentals of RMB 2.4 million, bringing on-board a robust stream of recurring income
- 46 units of Daya Bay amounting to RMB 22.0 million were sold and handed over in 1Q2016; the remaining 210 units sold previously are expected to be handed over progressively through the year

SINGAPORE – 13 May 2016 – Catalyst-listed property development and investment company, Cedar Strategic Holdings Ltd (“CSH”, together with its subsidiaries, “the Group”), today reported revenue of RMB 24.5 million for the three months ended 31 March 2016 (“1Q2016”). Revenue in 1Q2016 was derived from the Group’s maiden asset, Daya Bay, which contributed RMB 22.0 million from the sale of property units and RMB 2.4 million was derived from the rental of holiday apartments.

Given that the acquisition of Daya Bay was only completed in the preceding quarter, it was not meaningful to compare against the corresponding period in 2015. Comparing on a quarter-on-quarter (“qoq”) basis, the Group reported a net loss attributable to owners of the Company of RMB 3.3 million in 1Q2016. This was due partly to a RMB 1.9 million non-cash impact imputed interest expense related to the agreed deferred payment for Daya Bay and interest-free loans from certain related parties as well as slower business activities in 1Q2016 due to the Chinese New Year festive season and the winter period. Excluding a one-off recognition of negative goodwill of RMB 21.2 million arising from the acquisition of 60% equity interests in Daya Bay in 4Q2015, the Group would have improved profitability by RMB 10.4 million as compared to the previous quarter.

During 1Q2016, the Group generated positive operating cash flow of RMB 10.0 million, which is a reversal from net outflow in operating activities of RMB 9.1 million from the preceding quarter. Within the same period, the Group remains bank debt-free¹ while further strengthening its balance sheet with the increase of cash and cash equivalents from RMB 18.4 million to RMB 40.0 million².

Mr Tan Thiam Hee, CEO of CSH commented, *“Following the major restructuring in 2015 which resulted in a complete upheaval of management, board and business, 2016 represents a fresh start for us. Already, we began the year on an encouraging note with the resumption of trading in March 2016, which allowed us to gather more momentum to target the next stage of growth for CSH. As we set our sights on creating a sustainable business model in property and property related segments, our aim is to become a niche player with focus on emerging markets.*”

Daya Bay, which we acquired in November 2015, is the first of such niche assets and continues to provide two streams of revenue with long-term recurring income from holiday apartments leasing and short-term development profit from sale of property units.”

¹ Not including the consideration payable for the acquisition of Daya Bay and the interest-free loans from certain related parties of Daya Bay

² Includes gross proceeds of S\$4.6 million (RMB 21.8 million) from the Placements and Investments completed on 31 March 2016

As at 31 March 2016, approximately RMB 324.1 million of gross development value comprising 573 units (approximately 24,998 sqm) of the Daya Bay project have been sold. In accordance with the Group's revenue recognition policy, 46 units (worth approximately RMB 22.0 million) have been recognised in 1Q2016, which brings the total to 363 units recognised as at 31 March 2016. Revenue from the remaining 210 units is expected to be recognised within 2016 upon handover to buyers.

On the Group's prospects, **Mr Tan** added, "As we recognised revenue of property units upon sale and 'handover' to buyers, only 46 units amounting to RMB 22.0 million contributed to our top line this quarter. Continuing through the year ahead, we expect progressive recognition for the remaining 210 units which would bolster our financial performance."

The housing market in China has been displaying a broad recovery, buoyed by favourable governmental intervention. For the month of April 2016, new home prices in 100 cities, including the Huizhou region, increased 9% year-on-year³.

Moving forward, our priorities continue to focus on strengthening our internal control policy and measures to safeguard the interests of our shareholders while remaining vigilant to macroeconomic risks. As we seek to expand our presence in the region, we have also set our sights on quality assets within other promising emerging markets."

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About Cedar Strategic Holdings Ltd

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Cedar Strategic Holdings Ltd. (CSH) was incorporated in Singapore on 17 October 1980. Formerly known as China Titanium Ltd., the Company adopted the name Cedar Strategic Holdings Ltd. on 7 December 2012 following the restructuring of its business model. Going forward, the Group intends to continue to focus on property investment and development and related businesses.

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

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

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³ "Rise in China's home prices, accelerates in April", The Business Times, 4 May 2016