



## CEDAR STRATEGIC HOLDINGS LTD

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FOR IMMEDIATE RELEASE

# Cedar Strategic returns to black with net profit of RMB 0.3 million for 2Q2016

- Revenue correspondingly grows 74.2% quarter-on-quarter derived from dual revenue streams of short-term development profit and long-term recurring income
- With 424 units worth RMB 245.3 million recognised as at 30 June 2016, the Group expects to handover and recognise the remaining 208 units already sold from 2H2016 onwards
- Actively seeking opportunities to penetrate emerging markets to drive next phase of growth for the Group while maintaining a lean operating structure

**SINGAPORE – 12 August 2016** – Catalyst-listed property development and investment company, Cedar Strategic Holdings Ltd (“CSH”, together with its subsidiaries, “the Group”), today reported revenue of RMB 42.7 million for the three months ended 30 June 2016 (“2Q2016”). Revenue was contributed by the Group’s Daya Bay project, which reported RMB 40.2 million from the sale of property units and a recurring income of RMB 2.4 million was derived from the rental of holiday apartments. Comparing on a quarter-on-quarter (“qoq”) basis, revenue jumped 74.2% from the three months ended 31 March 2016 (“1Q2016”). Within the same period, the Group reported a net profit attributable to owners of the Company of RMB 0.3 million, a reversal from a net loss of RMB 3.3 million in 1Q2016.

As a result of operating profit and changes to working capital, the Group generated positive operating cash flow of RMB 10.5 million for 2Q2016. In addition, the Group maintains a strong balance sheet with an increase of cash and cash equivalents from RMB 18.4 million as at 31 December 2015 to RMB 56.8 million<sup>1</sup> as at 30 June 2016 and free of bank debt<sup>2</sup>.

**Mr Tan Thiam Hee, CEO of CSH commented,** *“This quarter, we witnessed a steady uptick in demand for our apartments at Daya Bay following a lull period during the Chinese New Year festive season. As a result, we have substantially sold approximately 88% of the total units<sup>3</sup> since acquiring this property in November 2015 and returned to profitability.*

*In June 2016, we announced the proposal of a 2-for-1 rights issue for every entitled shareholder. While the Group currently has sufficient working capital to support our present requirements, the rights issue will be necessary to fund the Daya Bay acquisition as well as strengthen our financial position. The additional capital will be pivotal in accelerating the Group’s growth as we continue to prospect for earnings accretive acquisitions.”*

As at 30 June 2016, approximately RMB 367.6 million of gross development value comprising 632 units (approximately 27,750 sqm) of the Daya Bay project have been sold. In accordance with the Group’s revenue recognition policy, 61 units (worth approximately RMB 40.2 million) have been recognised in 2Q2016, which brings the total to 424 units recognised as at 30 June 2016. Revenue from the remaining 208 units already sold is expected to be recognised from 2H2016 upon handover to buyers.

<sup>1</sup> Including gross proceeds of S\$6.0 million (RMB 28.7 million) from the Placements and Investments completed on 31 March and 7 April 2016.

<sup>2</sup> Excluding the consideration payable for the acquisition of Daya Bay and the interest-free loans from certain related parties of Daya Bay.

<sup>3</sup> Excluding investment properties of 399 units.

On the Group's prospects, **Mr Tan** added, "According to the National Statistics Bureau<sup>4</sup>, home prices in China reported 7.3% year-on-year ("yoy") growth in June, a further increase from the 6.9% yoy rise in May. For 1H2016, Huizhou registered the highest jump in housing prices amongst all other cities in China<sup>5</sup>. These statistics prove encouraging as we prospect actively for niche and quality assets within emerging markets so as to diversify the Group's earning base. Currently, we are exploring property-related ventures in Myanmar, Jakarta and Chengdu that fall in line with our two-pronged business model.

We have come a long way from our trading suspension in April 2015 and subsequent corporate restructuring. That being said, there is still much room for improvement and we, as the new Board and Management, remain committed to building a sustainable future for our stakeholder whilst maintaining vigilance on market uncertainties."

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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.

*Issued on behalf of Cedar Strategic Holdings Ltd by: Financial PR Pte Ltd*

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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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<sup>4</sup> "Slowing China home price rises add to doubts about economy", Reuters, 18 July 2016

<sup>5</sup> "Over 90pc of cities see rally in house sales during first six months", South China Morning Post, 5 July 2016