



CEDAR STRATEGIC HOLDINGS LTD

80 Raffles Place
#26-05 UOB Plaza 1
Singapore 048624
T: (+65) 6532 0933
F: (+65) 6733 3458

FOR IMMEDIATE RELEASE

Cedar Strategic's turnaround strategy on track, posting net profit of RMB2.5 million for 3Q2016

- Top line growth of 11.8% qoq to RMB47.7 million for 3Q2016 boosted by revenue recognition of 61 units sold for Daya Bay project; revenue of remaining 176 sold units to be recognised in subsequent two quarters
- Completed rights issue bolsters balance sheet's strength, allowing the Group to complete Daya Bay's acquisition and positions it for next phase of growth
- Proposed stake in Yangon's Golden City project is in sync with overarching strategy of focusing on development and investment properties in emerging markets

SINGAPORE, 11 November 2016 – Catalyst-listed Cedar Strategic Holdings Ltd. ("CSH", "Cedar Strategic", or the "Company", and together with its subsidiaries, the "Group"), an up-and-coming niche property developer, today reported an 11.8% quarter-on-quarter ("qoq") increase in revenue to RMB47.7 million for the quarter ended 30 September 2016 ("3Q2016").

The growth was stimulated by revenue recognition of 61 units worth RMB45.2 million for the Group's inaugural project based in Daya Bay District, Huizhou, Guangdong Province, PRC (the "Daya Bay project"). Correspondingly, gross profit for the Group rose 41.5% qoq to RMB19.3 million and its net profit attributable to shareholders advanced substantially to RMB2.5 million for 3Q2016.

Regarding the reported gains this quarter, **Mr. Tan Thiam Hee, Executive Director and Chief Executive Officer of CSH**, said, *"Our third-quarter financial results is evidence of the progress we have made with our turnaround strategy. Since the restructuring of our business model in mid-2015, we have been committed to pursuing high-yielding property investment and development opportunities in emerging cities, as well as seeking a balance between long-term recurrent rental income and short-term development profit. The Daya Bay project distinctly epitomises this differentiated and proven model which has culminated in generating another consecutive quarter of top and bottom-line gains.*

Besides implementing a new business model, our turnaround strategy also calls for our thorough and prudent efforts to clean our books. While the one-off write-back has resulted in a RMB2.3 million uplift in profitability with an ex-director waiving his claims, we recognise the importance of sustainability and are encouraged by the recurrent rental income of RMB2.4 million received for the quarter. This adds to the visibility of earnings for the upcoming two quarters as we also look to recognise the revenue of the remaining 176 out of the 661 units that have already been sold as at 30 September 2016."

Following the rights issue, the Group presently has a financial war chest of RMB130.0 million in cash and cash equivalents on its balance sheet. Apart from funding the Daya Bay project acquisition and the Group's overall working capital needs, the remaining capital will be allocated for the recently announced new development project, the iconic Golden City project in Yangon, Myanmar.

Given the immense growth potential of Yangon's luxury real estate market as Myanmar's middle and affluent classes are expected to double in sizes to approximately 15.0% of the population by 2020¹, it is apparent why the Group is keen to call Golden City their second project. Furthermore, the mixed-use project is aligned with the Group's dual-income strategy.

¹ Based on a Boston Consulting Group report titled, "Vietnam and Myanmar: Southeast Asia's New Growth Frontiers"

On the Group's outlook, **Mr. Tan** commented, "We are optimistic that the Golden City project is the next quality addition to our real estate portfolio and will cement our position as a niche property developer in emerging markets. Our long-term goal has always been to place our valued shareholders' interests above all else. Besides meticulously prospecting projects with remarkable potential, we have earmarked the proposed share reduction and capital reduction at our upcoming Extraordinary General Meeting on the 21st of November 2016, as ways for us to enhance our shareholders' value. We are deeply grateful towards our shareholders for their ceaseless support throughout our gradual but steady march towards rebuilding a better and stronger Cedar Strategic, and we believe that we are within striking distance of achieving that target."

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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

Financial PR Pte Ltd

Mr. Tok Chong Yap/ Ms. Cassandra Chan
Investor Relations
Tel: (65) 6438 2990 | Fax: (65) 6438 0064
Email: cs@financialpr.com.sg

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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The details of the contact person for the Sponsor is:

Name: Mr. Nathaniel C.V. (Registered Professional, RHT Capital Pte. Ltd.)
Address: Six Battery Road, #10-01, Singapore 049909
Tel: 6381 6946