

CEDAR STRATEGIC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 198003839Z)

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- (1) **CLARIFICATION ON THE PROPOSED PLACEMENT (THE “PLACEMENT”) OF UP TO 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF CEDAR STRATEGIC HOLDINGS LTD. (THE “COMPANY”)**
 - (2) **CLARIFICATION ON THE INVESTMENT OF S\$2,090,000 SECURED BY THE COMPANY TO BE REPAYED BY THE ISSUE AND ALLOTMENT OF 950,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “INVESTMENT”)**
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The Board of Directors (“**Board**”) of Cedar Strategic Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the earlier announcements made on 3 July 2015 and 10 July 2015 (the “**Previous Announcements**”) in relation to the Placement and the Investment.

All capitalised terms used and not defined herein shall bear the same meanings ascribed to them in the Previous Announcements, unless the context otherwise requires.

The Board wishes to clarify that the Annual General Meeting (“**AGM**”) or Extraordinary General Meeting to approve the proposed Placement and proposed issuance of Investment Shares will only be held after the Company’s special audit has been completed.

In relation to the use of the net proceeds from the Investment (after deducting for expenses arising in connection with the Investment), the Board wishes to elaborate that the Company intends to use 100% of the net proceeds for its working capital purposes as follows:

| <u>Intended use of net proceeds</u> | <u>Percentage of net proceeds</u> |
|---|-----------------------------------|
| (a) To repay the Group’s existing liabilities (including but not limited to legal and professional fees and other miscellaneous expenses incurred to date) | 34% |
| (b) To fund the special audit (including special auditors’ fee, various costs (including legal and payroll and supporting costs) to review and prepare for the special audit) | 15% |
| (c) To fund the preparation of the Company’s audit for FY2014, preparation and issuance of Annual Report and the holding of the AGM | 20% |
| (d) To fund the salary of the Group’s employees, legal and professional fees and ancillary expenses for the Group going forward | 31% |

By Order of the Board

Christopher Chong Meng Tak
Non-Executive Chairman
21 July 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 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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