

CEDAR STRATEGIC HOLDINGS LTD.

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

UPDATE ON THE PROPOSED ACQUISITION OF THE SHARES IN DAS PTE. LTD.

The Board of Directors (the “**Board**”) of Cedar Strategic Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 17 October 2016 in relation to the proposed acquisition of all of the issued and paid-up shares of DAS Pte. Ltd. (the “**Previous Announcement**”).

Unless the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings as defined in the Previous Announcement.

The Company wishes to update its Shareholders that as the relative figures computed on the bases set out in Rule 1006(b) of the Catalist Rules is negative, the Company had, through its Sponsor, consulted with the SGX-ST on the matter. The consultation with the SGX-ST has been concluded and the SGX-ST has confirmed that the Proposed Acquisition would constitute a “disclosable transaction” under Chapter 10 of the Catalist Rules and would not be subject to the approval of Shareholders.

The Company’s business focus is the development and investment of properties in emerging cities and as such, the entry into the property development business in Myanmar is in line with such stated intentions. Accordingly, the Proposed Acquisition and the expansion of the Company’s business to Myanmar would not result in a change in the risk profile of the Company. While there is no change in its risk profile, the Company wishes to highlight the risk factors associated with the expansion of the Company’s business to a new geographical market, namely Myanmar.

Risks associated with the expansion of the Company’s business into Myanmar

The risks described below are not intended to be exhaustive. In addition to the risks described below, the Group could be affected by risks relating to the industry and countries in which the Group operates as well as economic, business, market and political risks. In addition, there may be additional risks not presently known to the Group, or that the Group currently deems immaterial, but which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

1) Political, economic and social instability in Myanmar

The Golden City Project is based in Myanmar, which has the potential to be politically and economically unstable. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may adversely affect the Group’s business and operations in Myanmar.

Further, any changes in the political, economic and social policies of the Myanmar government may lead to changes in the laws and regulations or the interpretation and application of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may adversely affect the Group’s financial performance.

2) The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty

The laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented

or which are not generally available to the public or uniformly applied. A high degree of uncertainty exists in connection with the application of existing laws and regulations.

Myanmar laws and regulations are also undergoing extensive changes. Changes in the laws may be unpredictable and may in some instances introduce conditions that will increase the costs of doing business in Myanmar and adversely affect the Group's financial performance.

The resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited.

3) Limited accessibility of publicly available information and statistics in Myanmar

Under the current business environment in Myanmar, it may be very difficult to obtain up-to-date information and statistics on other businesses in Myanmar that may be relevant to the Group in terms of, *inter alia*, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

4) Foreign exchange control risks

Significant fluctuations of the Kyats against the US\$ or the S\$ could have a material adverse effect on the Group's operations and financial conditions and prospects.

The remittance of foreign currency into Myanmar is generally unlimited but for remittance of foreign currency out of Myanmar, depending on the nature of the remittance, the approval by the Central Bank of Myanmar, Myanmar Investment Commission, Internal Revenue Department and/or other government authorities and bodies may be required. To the extent that the ability of the subsidiaries to distribute dividends to the Group is restricted, it may have an adverse effect on the Group's business, operations and financial condition.

Mitigation of the Risks

The Group is retaining the current key management of the Golden City Project for their relevant expertise and experience in managing the Golden City Project in Myanmar in order to mitigate the abovementioned risks associated with the Group's foray into the Myanmar region. In particular, Mr Zhu Xiaolin is currently the chairman and director of Golden Land Real Estate Development Co. Ltd. and he will continue in this position and, together with Mr Lai Xuejun, manage and operate the Golden City Project. Both Mr Zhu and Mr Lai will hold interests in the Company and will continue to hold interests in Uni Global Power Pte. Ltd. after the completion of the Proposed Acquisition which will align the interests of Mr Zhu and Mr Lai with the Group. Both Mr Zhu and Mr Lai are part of the founding investors and management of the Golden City Project.

Further information on both of them and the group structure may be found in paragraph 2 of the Previous Announcement.

By Order of the Board

Christopher Chong Meng Tak
Non-Executive Chairman

16 December 2016

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.

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.

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