

# CEDAR STRATEGIC HOLDINGS LTD.

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

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## UPDATE TO THE DIVESTMENT OF TITANIUM DIOXIDE BUSINESS IN 2012

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The Board of Directors of Cedar Strategic Holdings Limited (the “**Company**”) refers to the Company’s announcements dated 24 November 2015 (Announcement Reference No.: SG151124OTHRXTTY), 18 January 2016 (Announcement Reference No.: SG160118OTHRNPJQ), 6 April 2016 (Announcement Reference No.: SG160406OTHRHIHK) and 31 May 2016 (Announcement Reference No.: SG160531OTHRE245) (collectively, the “**Previous Announcements**”) relating to the Special Audit Report issued by Baker Tilly Consultancy (Singapore) Pte Ltd on 24 November 2015 in respect of certain disbursements for the financial years ended 31 December 2013 and 31 December 2014 (the “**Baker Tilly Report**”).

Further to the Previous Announcements, the Board of Directors wishes to update all shareholders of the Company (the “**Shareholders**”) on the status of the issue relating to the Company’s divestment of its Titanium Dioxide business to Talented Creation International Limited (“**TCI**”) pursuant to the equity transfer agreement dated 16 August 2012 (“**Titanium Dioxide Agreement**”).

Pursuant to the Titanium Dioxide Agreement, the Company agreed to transfer its 51% equity stake in Jade Marketing & Distribution Pte Ltd and 100% equity stake in Jade Real Estate Pte Ltd to TCI for a consideration of RMB 180 million (“**RMB 180 Million Receivable**”). As explained in the Company’s announcement dated 31 May 2016, the Special Auditor observed that the RMB 180 Million Receivable remains uncollected.

Subsequent to the Company’s issuance of an announcement on 31 May 2016 to update the Shareholders on the status of the various issues set out in the Special Audit Report, Dr In Nany Sing Charlie (“**Dr Charlie In**”) has identified two specific emails attaching certain documents signed by the Company and TCI relating to the Company’s acquisition of Trechance Holdings Limited (“**Trechance**”) in 2013.

With assistance from the Company’s auditors, the Company has successfully located these documents, including an undated Deed of Loan between TCI and Trechance (the “**Deed**”) which provided, amongst other things, that TCI would repay part of the RMB 180 million Receivable owed to the Company under the Titanium Dioxide Agreement.

The Company has instructed lawyers to send a letter of demand to TCI on the Company’s behalf to demand that TCI make payment to the Company for part of the RMB 180 Million Receivable. Further, having taken legal advice from Drew & Napier LLC about the new documents, the Company has concluded that there is presently no basis for the Company to take legal action against Dr Charlie In for failing to take steps to put in place the necessary documentation to ensure that the Company would have the ability to recover the RMB 180 Million Receivable from TCI.

As set out above, the Company is actively taking steps to address the various issues raised in the Baker Tilly Report. The Company will also keep its Shareholders informed of any updates in relation to these issues.

### By Order of the Board

Christopher Chong Meng Tak  
Non-Executive Chairman

24 June 2016

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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 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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