



CEDAR STRATEGIC HOLDINGS LTD

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FOR IMMEDIATE RELEASE

Cedar Strategic marks a new milestone on its corporate journey with the closure of Special Audit matters

- Clears all six outstanding legacy issues outlined by special auditors
- Part of the Board and Management's turnaround strategy for the Group with implementation of internal controls to address financial, operational and compliance risks
- Maintains focus on investing in quality assets within emerging cities via a dual-income approach of seeking development profit and recurring income streams

SINGAPORE, 21 November 2016 – Catalist-listed Cedar Strategic Holdings Ltd. ("CSH", "Cedar Strategic", or the "Company", and together with its subsidiaries, the "Group"), a niche property developer, today announces that it has successfully concluded all outstanding issues identified by Baker Tilly Consultancy (Singapore) Pte Ltd ("Special Auditor") in their Special Audit Report ("Baker Tilly Report"). The said report was first issued a year ago by the independent professional accounting and business advisory firm on 24 November 2015 in respect of certain disbursements for the two financial years ended 31 December 2013 and 2014.

Post the trading suspension of the Group in April 2015, the Special Auditor was engaged in July 2015 to review and ascertain irregularities on the accounts and transactions made. After an extensive assessment, it was concluded that the Group then had lapses in corporate governance and internal controls, alongside possible non-compliance with the Catalist Rules. The absence of documentation or recordings of corporate actions escalated the severity of the situation. This led to the Special Auditor defining a checklist of follow-up actions for the new Board and Management to undertake as part of the latter's efforts to turnaround the Group.

With reference to the accompanying announcement titled "Update on issues arising from Baker Tilly Report", it entails a summary of steps adopted by the new and current Board to address the outstanding six issues. All six outstanding issues have now been agreed upon by the respective parties involved and settled with the following outcomes:

1. Divestment of the titanium dioxide business

- Not worthwhile to pursue, concluded with no further follow-up required

2. Acquisition and proposed divestment of Trechance Group

- No basis to pursue, concluded with no further follow-up required

3. Acquisition and divestment of Yess Le Green and West Themes

- Received S\$1.1 million from Dr In on 3 November 2016
- No basis to pursue on recovery of consultancy fees, concluded with no further follow-up required

4. Acquisition of Futura Asset Holdings

- No basis to pursue, concluded with no further follow-up required

5. Severance payments

- Dr In agreed to waive and forego claims on the Group as per the terms of the 2 September 2016 Settlement Deed
- Received S\$3.8k for duplicate claims filed

Following the legal advice received on each of the above, the Board had also taken into consideration the additional outlay of Group's resources in the form of time and costs that will be incurred should the issues be further pursued. It is also important to assess the basis for each claim as well as the likelihood for any tangible returns that may be attained as a result.

Regarding the closure of the Special Audit matters, **Mr. Tan Thiam Hee, Executive Director and Chief Executive Officer of CSH**, remarked, *"Since the inception of the new Board and Management, we have made good progress in rebuilding shareholder value. The conclusion of the Special Audit marks a new milestone for us as we resolve all outstanding legacy issues that were inherited. Our turnaround strategy for the Group would not have been possible if not for the assistance and advice from the various professionals and we thank them for supporting us throughout this difficult journey."*

Re-establishing our foundation was critical as we work towards creating a sustainable business for shareholders. Deliberate efforts were committed to clean up our balance sheet but more importantly, we implemented a new framework for the Group that emphasises corporate governance, internal controls and compliance. This eliminates the possibility of a relapse as we strive to enhance transparency and build safeguards for our shareholders.

Moving beyond the administrative reforms that were necessary to provide a firm footing for the Group, we are now well entrenched to grow going forward. We are also taking incremental steps to enhance shareholder value with our share purchase mandate and proposed capital reduction exercise, which have just received shareholders' approval today during our Extraordinary General Meeting.

Our proven dual-income approach to seek development profit and recurring income streams ensures sustainable growth for the Group. Building on our niche focus in emerging cities, we continue to explore strategic investments in property-related ventures starting with Myanmar, Indonesia, and Chengdu, PRC."

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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.

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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.

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