CPH LTD.

Unaudited Half Year Financial Statement and Dividend Announcement for the Financial Period Ended 30 September 2020

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	S$'000		%
	Six months ended 30/09/2020	Six months ended 30/09/2019	Increase/ (Decrease)
Interest income	-	4	NM
Other income	215	210	2.4
Administrative and other operating expenses	(1,610)	(395)	NM
Finance costs	(56)	(50)	12.0
Share of results of associate, net of tax	(93)	(197)	(52.8)
Loss before income tax from continuing operations	(1,544)	(428)	NM
Income tax expense	-	-	-
Loss from continuing operations, net of tax	(1,544)	(428)	NM
Loss from discontinued operations, net of tax	(40)	(397)	(89.9)
Loss for the financial period	(1,584)	(825)	92.0
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, representing other comprehensive income from discontinued operations for the financial period, net of tax	-	22	NM
Total comprehensive income for the financial period	(1,584)	(803)	97.3

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. – For discontinued operations

The results of the discontinued operations ("PCB Segment") of CPH Group are as follows:

	PCB Segment		
	S$'000		%
	Six months ended 30/09/2020	Six months ended 30/09/2019	Increase/ (Decrease)
Revenue	-	2,306	NM
Cost of sales	(29)	(2,460)	(98.9)
Gross loss	(29)	(154)	(81.2)
Other income	39	15	NM
Selling and distribution expenses	-	(10)	NM
Administrative and other operating expenses	(50)	(235)	(78.7)
Finance costs	-	(13)	NM
Loss before income tax from discontinued operations	(40)	(397)	(89.9)
Income tax expense	-	-	NM
Loss from discontinued operations, net of tax	(40)	(397)	(89.9)

1 (a)(ii) Notes to consolidated statement of comprehensive income

Loss after income tax is arrived at:	Group		
	S$'000		%
	Six months ended 30/09/2020	Six months ended 30/09/2019	Increase/ (Decrease)
Continuing Operations			
After charging:			
Depreciation of property, plant and equipment	15	16	(6.3)
Interest expense	56	50	12.0
Change in fair value of investment property	1,230	-	NM
and crediting:			
Interest income	-	4	NM
Rental income	143	206	(30.6)
Government grants	72	4	NM
Discontinued Operations			
After charging:			
Depreciation of property, plant and equipment	-	113	NM
Foreign exchange loss, net	3	46	(93.5)
Interest expense	-	13	NM
Inventories written off	28	-	NM

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As at 30/09/2020	Group As at 31/03/20	Company As at 30/09/2020	Company As at 31/03/20
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Subsidiaries	-	-	5,533	5,533
Associate	-	166	-	-
Property, plant and equipment	66	81	-	-
Investment property	8,150	9,380	-	-
	8,216	9,627	5,533	5,533
Current assets				
Inventories	-	28	-	-
Trade and other receivables	162	239	2,044	2,237
Prepayments	22	21	16	9
Cash and bank balances	298	295	87	17
Assets classified as held for sale	243	301	-	-
	725	884	2,147	2,263
Less:				
Current liabilities				
Trade and other payables	444	472	168	119
Lease liabilities	67	67	-	-
Bank borrowings	197	800	-	-
Deferred grant income	-	85	-	-
	708	1,424	168	119
Net current assets	17	(540)	1,979	2,144
Non-current liabilities				
Bank borrowings	(763)	-	-	-
Lease liabilities	(1,588)	(1,621)	-	-
	(2,351)	(1,621)	-	-
	5,882	7,466	7,512	7,677
Capital and reserves				
Share capital	24,764	24,764	24,764	24,764
Foreign currency translation account	(241)	(241)	-	-
Share-based payment reserve	10	10	10	10
Accumulated losses	(18,651)	(17,067)	(17,262)	(17,097)
Total equity	5,882	7,466	7,512	7,677

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/9/2020		As at 31/03/2020	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
197	-	800	-

Amount repayable after one year

As at 30/9/2020		As at 31/3/2020	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
763	-	-	-

Details of any collateral

The Temporary Bridging Loan under the Enterprise Financing Scheme (EFS) is secured against the Group's investment property (excluding right-of-use asset).

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Six months ended 30/09/2020	Six months ended 30/09/2019
	S$'000	S$'000
Operating activities		
Loss before income tax from continuing operations	(1,544)	(428)
Loss before income tax from discontinued operations	(40)	(397)
Total loss before tax	(1,584)	(825)
Adjustments for:		
Depreciation of property, plant and equipment	15	129
Loss on disposal of property, plant and equipment	2	-
Change in fair value of investment property	1,230	-
Inventories written off	28	-
Interest expense	56	63
Interest income	-	(4)
Impairment loss on associate	73	-
Share of results of associate, net of tax	93	197
Unrealised foreign exchange loss	3	34
Operating cash flows before working capital changes	(84)	(406)
Working capital changes:		
Inventories	-	199
Trade and other receivables	(12)	195
Prepayment	-	9
Trade and other payables	(24)	115
Net cash used in operating activities	(120)	112
Investing activities		
Proceeds from sale of plant and equipment	55	-
Purchase of plant and equipment	-	(3)
Interest received	-	4
Net cash from investing activities	55	1
Financing activities		
Proceeds from trust receipts	-	1,307
Repayment of trust receipts	-	(1,408)
Proceeds from bank borrowing	1,000	-
Repayment of bank borrowing	(840)	-
Repayment of lease obligations	(33)	(76)
Interest paid	(56)	(19)
Net cash from/(used in) financing activities	71	(196)
Net change in cash and cash equivalents	6	(83)
Cash and cash equivalents at beginning of financial period	295	639
Effects of exchange rate changes on cash and cash equivalents	(3)	-
Cash and cash equivalents at end of financial period (Note A)	298	556

Note A

Cash and cash equivalents comprise fixed deposits and cash and bank balances, net of bank overdrafts.

	Six months ended 30/09/2020	Six months ended 30/09/2019
	S$'000	S$'000
Cash and bank balances	298	625
Bank overdrafts	-	(69)
	298	556

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share capital	Foreign currency translation account	Share-based payment reserve	Accumulated losses	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 April 2019	24,764	(278)	10	(14,341)	10,155
Loss for the financial period	-	-	-	(825)	(825)
Other comprehensive income:					
Exchange differences on translating foreign operation	-	22	-	-	22
Total comprehensive income for the financial period	-	22	-	(825)	(803)
Balance at 30 September 2019	24,764	(256)	10	(15,166)	9,352
Balance as at 1 April 2020	24,764	(241)	10	(17,067)	7,466
Loss for the financial period	-	-	-	(1,584)	(1,584)
Other comprehensive income:					
Exchange differences on translating foreign operation	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	(1,584)	(1,584)
Balance as at 30 September 2020	24,764	(241)	10	(18,651)	5,882

The Company	Share capital	Accumulated losses	Share-based payment reserve	Total
	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2019	24,764	(13,796)	10	10,978
Total comprehensive income for the financial period	-	(214)	-	(214)
Balance at 30 September 2019	24,764	(14,010)	10	10,764
Balance at 1 April 2020	24,764	(17,097)	10	7,677
Total comprehensive income for the financial period	-	(165)	-	(165)
Balance at 30 September 2020	24,764	(17,262)	10	7,512

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The share capital of the Company was S$24,764,175 divided into 1,229,226,124 ordinary shares as at 31 March 2020 and 30 September 2020. There was no change in the Company's share capital from 31 March 2020 up to 30 September 2020.

The Company did not have any outstanding convertible securities or treasury shares as at 30 September 2020 and 30 September 2019. There were also no subsidiary holdings as at 30 September 2020 and 30 September 2019.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares of the Company as at 30 September 2020 and 31 March 2020 was 1,229,226,124 ordinary shares.

The Company did not have any treasury shares as at 30 September 2020 and 31 March 2020.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not have treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as there were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable. The Group's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The Group's latest financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on as compared with those in the Company's most recently audited financial statements for the financial year ended 31 March 2020 ("**FY2020**").

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new or revised provisions of the Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for this current financial year beginning on 1 April 2020. The adoption of these new or revised SFRS(I)s is not expected to have any significant effect on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Continuing operations	**Group**	
Loss per ordinary share of the Group based on loss attributable to owners of the Company	**30/09/2020**	**30/09/2019**
Loss from continuing operations attributable to owners of the parent (SGD' 000)	(1,544)	(428)
(a) Based on the number of ordinary shares in issue (SGD cents)	(0.13)	(0.03)
(b) On a fully diluted basis (SGD cents)	(0.13)	(0.03)

Discontinued operations	**Group**	
Loss per ordinary share of the Group based on loss attributable to owners of the Company	**31/03/2020**	**30/09/2019**
Loss from discontinued operations attributable to owners of the parent (SGD' 000)	(40)	(397)

(a) Based on the number of ordinary shares in issue (SGD cents)	(0.003)	(0.032)
(b) On a fully diluted basis (SGD cents)	(0.003)	(0.032)

Loss per ordinary share for the half year ended 30 September 2020 ("**1H2021**") and half year ended 30 September 2019 ("**1H2020**") in item 6(a) were computed based on the loss attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue of 1,229,226,124 ordinary shares for the said financial periods.

Loss per ordinary share on a fully diluted basis are the same as the basic loss per ordinary share for 1H2021 and 1H2020 because the Company did not have any potential dilutive ordinary shares as at the end of the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 30/09/2020	As at 31/03/2020	As at 30/09/2020	As at 31/03/2020
Net asset value per ordinary share based on issued share capital (SGD cents)	0.48 cents	0.61 cents	0.61 cents	0.62 cents

Net asset value per share of the Group and Company were calculated based on the net assets of the Group and Company respectively, divided by the issued ordinary share capital of 1,229,226,124 shares as at 30 September 2020 and 31 March 2020.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) Any significant factor that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Financial Performance of the Group for the half year ended 30 September 2020 ("**1H2021**") vs. half year ended 30 September 2019 ("**1H2020**")

Discontinued Operations (Printed Circuit Boards Business Segment ("PCB Segment")

Revenue

The Group had ceased operations of its PCB Segment in November 2019, hence no revenue was recorded for 1H2021.

Gross Loss

There was no cost of goods sold as there were no sales during 1H2021. The gross loss of $0.03 million was mainly due to the write-off of unsold inventories.

Other Income

Other income from the sale of scrap materials was S$0.04 million in 1H2021 as compared to S$0.02 million in 1H2020.

Expenses

The PCB Segment's administrative and other operating expenses decreased to S$0.05 million in 1H2021 as compared to S$0.24 million in 1H2020 mainly due to the closure of the Malaysia factory after November 2019. In particular, there was a reduction in staff cost by S$0.05 million in line with the cessation of the PCB Segment, a write-back of excess provision for retrenchment benefits of S$0.08 million upon the settlement of the labour dispute in October 2020, and a decrease in foreign exchange loss of S$0.04 million.

Loss Before Income Tax

As a result of the above, the loss before income tax from discontinued operations for 1H2021 amounted to S$0.04 million as compared to a loss before income tax of S$0.40 million in 1H2020.

Continuing Operations

Other Income

Other income comprises of rental income and Government grants. Rental income reduced from S$0.21 million in 1H2020 to S$0.14 million as there were vacant space not leased during 1H2021, as well as a provision of one month rental rebate to the qualifying tenants which amounted to S$0.03 million.

The government grants comprise of payouts under the Jobs Support Scheme, the Wage Credit Scheme and Special Employment Credit, which amounted to S$0.07 million, as compared to the grants received in 1H2020 which comprised only the latter two grants and amounted to S$0.01 million.

Interest Income

Interest income reduced to nil in 1H2021 as fixed deposits with banks had been fully utilized during FY2020.

Expenses

The Group's administrative and other expenses for 1H2021 was S$1.61 million as compared to S$0.40 million in 1H2020. A fair value loss of S$1.20 million was recorded in 1H2021 upon revaluation of the investment property, whereas in 1H2020, no loss in value was recorded. The Group has also made a provision for impairment of investment in associate amounting to S$0.07 million in 1H2021. These increased expenses were offset by lower staff cost of S$0.12 million in 1H2021 as compared to S$0.16 million in 1H2020 and lower administrative expenses of S$0.21 million as compared to S$0.23 million in 1H2020.

The Group's depreciation expenses remained at similar level of S$0.02 million for both 1H2021 and 1H2020.

The Group's finance cost increased slightly from S$0.05 million in 1H2020 to S$0.06 million in 1H2021 due to the increased usage of banking facilities.

Share of results of associate, net of tax

The Group continued to record its share of losses from associate of approximately S$0.09 million in 1H2021 as compared to S$0.20 million in 1H2020 as the food and beverage industry that the Group invested in continued to face strong competition and was further adversely impacted by the COVID-19 pandemic during 1H2021.

Loss before income tax

As a result of the above, the Group recorded a loss before income tax from continuing operations of S$1.54 million in 1H2021 as compared to a loss before income tax of S$0.43 million 1H2020.

Statement of Financial Position

Investment in associate decreased due to increased losses made by the associate in 1H2021. The Group has also written off the remaining balance as a provision of impairment in 1H2021 as the Group does not foresee any potential realization of its investment going forward.

Property, plant and equipment decreased due to the depreciation charges of S$0.02 million recorded.

The value of the Group's investment property was written down upon revaluation to S$6.50 million. However, the right-of-use asset relating to the lease of the investment property of S$1.65 million were capitalized upon adoption of SFRS(I) 16 *Leases* in FY2020 and was included under investment property.

As at 30 September 2020, all the trade receivables arising from the **discontinued** PCB Segment have been collected. Other receivables decreased because the deferred Government grants of S$0.08 million recorded as at 31 March 2020 were received during 1H2021. This decrease however was offset by an increase of S$0.04 million of rentals in arrears due to slower settlement of rentals by the tenants of the investment property.

The value of assets classified as held for sale decreased as at 30 September 2020 due to the disposal of all plant and equipment during 1H2021. The balance of S$0.24 million was for the leasehold land and building in Malaysia which is pending the completion of sale.

Trade and other payables reduced from S$0.47 million to S$0.44 million mainly due to payments made to trade suppliers of the PCB Segment.

Bank borrowings classified as current liabilities decreased as the money market loan of S$0.80 million outstanding as at 31 March 2020 was fully settled during 1H2021. The balance of S$0.20 million represented the current portion of the total bank borrowings of S$0.96 million, with the non-current portion of S$0.76 million being recorded under non-current liabilities accordingly. Overall borrowings increased as the Group utilized its loan facilities for working capital purposes.

The Group has a positive working capital of S$0.02 million as at the end of 1H2021. The Group is in the process of completing the sale of its leasehold land and building in Malaysia as well as in the process of disposing its Singapore investment property.

Cash Flow and Working Capital

The Group has an operating cash outflow of S$0.08 million before working capital changes for 1H2021. During 1H2021, working capital cash outflows were from the increase of trade and other receivables of S$0.01 million and the decrease of trade and other payables of S$0.03 million. As a result, an amount of S$0.12 million was used for operating activities.

For the investing activities, an amount of S$0.06 million was generated from the proceeds of the sale of plant and equipment during 1H2021.

For the financing activities, the Company drew down a net total of S$0.16 million of banking facilities to finance its working capital needs. An amount of S$0.09 million was used to pay for lease obligations and interest. Net cash generated from financing activities amounted to S$0.07 million in 1H2021.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no prospect statement in respect of 1H2021 was previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 29 September 2020, the Company announced that it had entered into a conditional sale and purchase agreement ("**SPA**") for the proposed acquisition of the 100% issued share capital of a Singapore incorporated private company, Shanaya Environmental Services Pte. Ltd. ("**SES**"), for a purchase consideration of S$22.0 million (subject to adjustments in accordance with the SPA, where applicable) to be satisfied by a combination of (i) S$3.0 million in cash, and (ii) the issuance and allotment of 3,166,666,667 new ordinary shares in the capital of the Company at S$0.006 per consideration share. This acquisition will result in a reverse takeover of the Company as defined under Chapter 10 of the Catalist Rules. The professionals appointed by the Company are currently undertaking transactional due diligence on SES.

As announced on 6 August 2020, we have executed the sale and purchase agreement ("Disposal SPA") for the disposal of the Malaysian factory and we expect the transaction to be completed by end of November 2020. The completion date as indicated in the Disposal SPA was 5 November 2020; however, there has been a longer delay than originally anticipated for the transfer of the title deed by the relevant authorities. Both parties have mutually agreed to extend the completion date till the transfer is effected, as provided for in the Disposal SPA.

As for the factory in Singapore, the Group has received an offer to purchase and is currently in the final stages of negotiating with the purchaser on the terms of the binding option to purchase.

Further details on the aforementioned are provided in the Company's monthly update announcements on monthly valuation of assets, utilisation of cash and disposal of assets and quarterly update announcements on the Company's milestones in obtaining a new business, as required under the Catalist Rules. The Company will also update shareholders as and when there are material developments to the aforementioned on the SGXNET.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared / recommended for the six months period ended 30 September 2020 as the Company was not profitable.

13. Requirement under Rule 705(5) of the SGX-ST Listing Manual Section B – Rules of Catalist

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited results for the six months financial period ended 30 September 2020 to be false or misleading in any material aspect.

14. If the group has obtained a general mandate from shareholders for interested persons transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for recurrent interested person transactions. There were no interested person transactions with value of S$100,000 or more during 1H2021.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

There were no acquisitions or realization of shares by the Company or any of the Group entities during 1H2021. The Company and the Group entities did not incorporate any new subsidiary or associated company during 1H2021.

BY ORDER OF THE BOARD

Choo Tung Kheng
Managing Director
12 November 2020

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.