CPH LTD.
(Co. Reg. No. 199804583E)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF SHANAYA ENVIRONMENTAL SERVICES PTE. LTD. ("PROPOSED ACQUISITION") – WAIVER FROM COMPLIANCE WITH RULES 1015(1)(a)(ii) AND 1015(4)(a) OF THE CATALIST RULES IN RESPECT OF THE DISCLOSURES OF PRO FORMA FINANCIAL STATEMENTS OF THE ENLARGED GROUP

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*Unless otherwise expressly defined herein, all capitalised terms and references have the same meaning as ascribed to them in the announcement made by the Company on 29 September 2020 (the "**Previous Announcement**") in relation to the Proposed Acquisition.*

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of CPH Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Previous Announcement in relation to the SPA and the Proposed Acquisition.

As the Proposed Acquisition will result in a reverse takeover of the Company as defined under Chapter 10 of the Catalist Rules, the Company will be seeking the approval of its Shareholders at an EGM to be convened pursuant to Rule 1015 of the Catalist Rules.

The Company, through PPCF in its capacity as the financial adviser and full sponsor to the Company in respect of the Proposed Acquisition, had applied to the SGX-ST to seek a waiver of the requirements to comply with Rules 1015(1)(a)(ii) and 1015(4)(a) of the Catalist Rules (the "**Waiver**") (read with Rule 407(1) of the Catalist Rules) (the "**Relevant Rules**"), specifically, the requirement to present the pro forma financial statements of the enlarged group in relation to the Proposed Acquisition (the "**Enlarged Group**") in the Circular.

2. DISCLOSURE REQUIREMENTS

Under the Relevant Rules, the Company is required to disclose the following:

(a) latest two (2) years of historical financial information (of the assets to be acquired) and one (1) year of pro forma financial information (of the Enlarged Group); and

(b) information required under Parts 2 to 11 of the Fifth Schedule, Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 ("**Fifth Schedule**"), in particular, paragraph 24 of Part 9 of the Fifth Schedule requiring the pro forma financial statements of the Enlarged Group for the most recently completed financial year and any relevant interim financial period in the Circular.

3. GRANT OF WAIVER

In connection with the application for the Waiver, it was proposed that the financial information contained in the Circular would be the audited financial information of the Target Company for the financial years ended 31 December 2017, 2018 and 2019 and the unaudited financial information of the Target Company for any relevant interim financial period (with independent accountants' audit and review reports respectively), which will be prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The Board wishes to announce that on 9 November 2020, the SGX-ST has informed that it has no objections to granting the Waiver, subject to:

(a) the Company making an announcement of the Waiver granted, stating the reasons for seeking the Waiver and the conditions as per Catalist Rule 106, and that the Company and/or its Board are not aware of any other material information in respect of the Company and the Proposed Acquisition which was not formerly disclosed to investors;

(b) the disclosure of the Waiver granted and the bases for seeking the Waiver in the Circular; and

(c) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and its constituent documents ("**Written Confirmation**").

The Company has submitted the Written Confirmation to the SGX-ST on 10 November 2020.

The Board wishes to confirm that save for the information set out under paragraph 4 below, the Company and the Board are not aware of any other material information in respect of the Company and the Proposed Acquisition which were not formerly disclosed to investors.

Additionally, the Board wishes to inform that the Company will be releasing its unaudited half year financial results for the six (6) months period ended 30 September 2020 on the SGXNET by 14 November 2020.

4. REASONS FOR THE WAIVER

The Company provided the following reasons in the application for the Waiver:

(a) the audited financial information of the assets to be acquired (in this case, the Target Company) for the latest three (3) financial years and interim financial period (if applicable), will be prepared in accordance with SFRS(I) for inclusion in the Circular in accordance with the requirements of the Catalist Rules and the Fifth Schedule, thereby allowing its Shareholders to make an informed and meaningful assessment of the assets to be acquired, regardless of whether the pro forma financial information of the Enlarged Group would be included in the Circular;

(b) the Company, having ceased operations of its printed circuit board business ("**PCB Business**") by the end of November 2019, is currently a cash company as defined under Catalist Rule 1017;

(c) based on the Company's SGXNET announcement dated 15 September 2020 in relation to its monthly valuation of assets (at the point of submission of the Waiver application) ("**Monthly Announcement**"), the Company's assets as at 31 August 2020 comprised substantially of an investment property, right-of-use asset and property, plant and equipment of the PCB Business (collectively, "**Fixed Assets**"), which represented approximately 95.3% of the Company's total assets. The Fixed Assets, whose book values are held in the form of a Singapore factory and its attendant lease, have been earmarked by the Company for disposal. As stated in the Monthly Announcement, the Company has informed its Shareholders that there have been viewings of the Singapore factory by several interested parties, although no definite offers have been received thus far. The Company will continue to work with the appointed sales agent with the intention to dispose the Singapore factory as soon as practicable, subject to the prevailing market conditions and commercial terms being

satisfactory to the Company ("**Intended Disposal**").

Accordingly, following the completion of the Intended Disposal and Proposed Acquisition, the Company's business and assets are envisaged to comprise only cash and the business and assets of the Target Company.

To clarify, the Company wishes to highlight that the Intended Disposal is not a condition precedent to the Proposed Acquisition under the terms of the SPA. Notwithstanding, the Company and its management have taken concrete steps to effect the Intended Disposal such as the deliberation of the Board and the subsequent passing of the necessary board resolutions to dispose the Fixed Assets as soon as practicable, and having engaged sales agents for the Intended Disposal. Based on the Company's SGXNET announcement dated 15 October 2020 in relation to its latest monthly valuation of assets, the Company has informed that there had been viewings by several interested parties in relation to the Singapore factory, and the Company had on 13 October 2020 received an offer from a third party. The Company will update Shareholders as and when there are any other material developments on the Intended Disposal. Barring any unforeseen circumstances, the Company is confident that the Intended Disposal would take place prior to the Proposed Acquisition, or if not, within six (6) months from the completion of the Proposed Acquisition.

In the event that the Intended Disposal does not take place prior to the completion of the Proposed Acquisition, the Company is of the view that the provision of the pro forma financial statements of the Enlarged Group in the Circular would not be necessary as such pro forma financial information would not contain meaningful nor material information to the Shareholders which would add to the financial information on the Target Company that will already be presented in the Circular. Accordingly, in the event that the Intended Disposal does not take place prior to the latest practicable date of the Circular, the Company will ensure that the Circular contain sufficient disclosures on the Intended Disposal, the steps taken by the Company to effect the Intended Disposal and the basis of the accounting treatment of the Fixed Assets as per SFRS(I) 5;

(d) in view that the future business and assets of the Company will be represented by the business and assets of the Target Company following the completion of the Intended Disposal and Proposed Acquisition, it was respectfully submitted that the *pro forma* financial information of the Enlarged Group would not be meaningful nor material to the Shareholders in arriving at their decision on whether or not to approve the Proposed Acquisition at the EGM;

(e) the Company is of the view that the audited financial information for the latest three (3) financial years and interim financial period (if applicable) of the Target Company would not be materially different from the pro forma financial information of the Enlarged Group, save for (i) the presentation of the fixed assets and its associated liabilities as 'assets classified as held for sale' and 'liabilities classified as held for sale'; (ii) income and expenses attributable to the fixed assets would also be separately presented as a line item in the income statement; (iii) certain corporate and operating expenses of the Company such as regulatory compliance costs, professional fees and other expenses expected to be incurred in the day-to-day running of the Company; and (iv) non-cash expenses in connection with the Proposed Acquisition, mainly arising from reverse acquisition accounting in accordance with the prevailing financial reporting standards.

The above view is given on the assumption that the Intended Disposal has not taken place prior to the latest practicable date of the Circular. In the alternate event that the Intended Disposal takes place prior to the latest practicable date of the Circular, the aforementioned points (i) and (ii) would no longer be valid and relevant given the

realisation of the Fixed Assets to cash and other receivables, and there would be an additional point (v) to be supplemented to the above view which relates to the gain and/or loss recorded by the Company as a result of Intended Disposal, which would be non-recurring in nature; and

(f) in connection with preparing and reporting the *pro forma* financial information of the Enlarged Group, the Company would have to expend additional time and resources whilst incurring higher costs from mandating the reporting accountants to review the *pro forma* financial information as part of their scope of work. As such, the Company is of the opinion that the cost of preparing and reporting the *pro forma* financial information on the Enlarged Group outweighs the benefits to its Shareholders as the audited financial information of the assets to be acquired would substantially reflect the economic substance of the listed group following the completion of the Intended Disposal and the Proposed Acquisition, and accordingly, the exclusion of the *pro forma* financial information of the Enlarged Group would not be prejudicial to the interests of the Shareholders, given that the Intended Disposal would take place prior to the Proposed Acquisition, or if not, within six (6) months from the completion of the Proposed Acquisition, in consideration that the Company will be required under the Catalist Rules to announce the Intended Disposal and its Shareholders will be made aware of the fluctuation of the fair value of the assets included in the Intended Disposal.

5. FURTHER INFORMATION

The Company will make the necessary announcements as and when there are further material developments on the Proposed Acquisition and other matters contemplated by this announcement.

6. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Ong Kian Soon
Company Secretary

10 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.

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