

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

- (I) **MONTHLY VALUATION OF ASSETS AND UTILISATION OF CASH FOR THE MONTH OF DECEMBER 2020;**
(II) **UPDATE ON DISPOSAL OF ASSETS; AND**
(III) **QUARTERLY UPDATE ON MILESTONES IN OBTAINING A NEW BUSINESS, IN ACCORDANCE WITH RULE 1017(1)(b) OF THE CATALIST RULES**

The board of directors (the “**Board**”) of CPH Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following pursuant to Rule 1017(1)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”):-

(I) Monthly valuation of assets and utilisation of cash

(a) The Company’s assets and liabilities as at 31 December 2020 were as follows:-

	S\$'000
<u>Assets</u>	
Investment property	6,500
Property, plant and equipment	58
PCB Segment’s property, plant and equipment ⁽¹⁾	243
Right-of-use (ROU) asset ⁽²⁾	1,650
Other current assets ⁽³⁾	78
Cash and cash equivalents	184
Total assets	<u>8,713</u>
<u>Liabilities</u>	
Bank loan	913
Other current liabilities ⁽⁴⁾	447
Hire purchase lease	3
Lease liability relating to ROU asset ⁽²⁾	1,572
Total liabilities	<u>2,935</u>
Net assets	<u><u>5,778</u></u>

Notes:

- (1) *The PCB Segment’s property, plant and equipment is expected to be disposed within the financial year ending 31 March 2021. As at the date of this announcement, sale of the PCB Segment’s plant and equipment has been completed in August 2020 and the figure of S\$243,000 reflects the book value of the land and building.*
- (2) *Upon adoption of SFRS(I) 16 Leases from 1 April 2019, the Group recognized a right-of-use asset and the corresponding lease liability in relation to the JTC land rents.*
- (3) *Other current assets comprise other receivables and prepayments.*
- (4) *Other current liabilities comprise trade and other payables, accrued expenses and rental deposits.*

(b) The Company’s utilisation of cash in the month of December 2020 was as follows:-

	S\$'000
Opening cash and bank balances	289
Add receipts:	
Rental income ⁽¹⁾	37

Less payments:	
Staff cost	25
Land leases and property tax	19
Professional fees ⁽²⁾	14
Finance cost	1
Other administrative and operating expenses	5
Hire purchase instalment payment	1
Trade and other payables	38
Repayment of bank loan	17
Expenses in relation to the acquisition of new business	22
	<hr/> 142
Closing cash and bank balances	<hr/> 184

Notes:-

- (1) *Depending on the timing of payments made by tenants, the amount received may vary from month to month.*
- (2) *Comprised fees paid to Sponsor and legal fees in relation to the labour dispute in Malaysia.*

All figures set out in this announcement have not been reviewed or audited by the Company's auditors.

(II) Update on disposal of assets

As announced on 6 August 2020, we have executed the sale and purchase agreement ("**SPA**") for the disposal of the Malaysian factory and the completion date as indicated in the 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 and both parties have mutually agreed to extend the completion date as provided for in the SPA. We have, on 11 January 2021 received full settlement of all outstanding sale proceeds and therefore the disposal is now complete. Please refer to the announcement in respect of the completion of disposal of the Malaysian factory dated 15 January 2021.

On 13 November 2020, the Company announced the grant and acceptance of the Option to Purchase (the "**Option**") for the factory in Singapore at a total consideration of S\$6,500,000. The proposed disposal of the factory (the "**Proposed Disposal**") is subject to, inter alia, the Company procuring the approval of its shareholders ("**Shareholders**") at an extra-ordinary general meeting ("**EGM**") to be convened pursuant to Rule 1014 of the Catalist Rules, as it is considered a major transaction under Rule 1006 of the Catalist Rules. A circular to Shareholders ("**Circular**") setting out, amongst others, further information on the Proposed Disposal, together with the notice of EGM, will be despatched by the Company to the Shareholders in due course.

On 18 December 2020, the Company has announced the receipt of a "no-objection" letter from SGX-ST within which the SGX-ST informed the Company that it has no objection to the Company's application for waiver from compliance with Rule 1018(1) of the Catalist Rules, for the requirement to obtain prior Shareholders' approval at the time of grant of the Option for the Proposed Disposal.

On 8 December 2020, the Company had submitted the application to Jurong Town Corporation, the owner of the Singapore factory, for the transfer of the lease to the purchaser and the outcome of the application has yet to be received by the Company to-date. The EGM in respect of the Proposed Disposal is now tentatively re-scheduled to be convened in February 2021, instead of January 2021.

(III) Quarterly update of milestones in obtaining a new business

On 29 September 2020 the Company announced that it has entered into a conditional sale and purchase agreement for the proposed acquisition of a Singapore registered company, Shanaya Environmental Services Pte. Ltd. ("**SES**"), for a purchase consideration of S\$22.0 million 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. This acquisition will result in a reverse takeover of the Company as defined under Chapter 10 of the Catalist Rules (the "**Proposed Acquisition**").

SES is principally engaged in the provision of waste management, recycling and disposal services to industrial and commercial clients. The Proposed Acquisition will present the Company with an opportunity to

participate in the waste management and recycling industry through SES, which has a profitable track record and good growth potential, so that the Group may achieve a consistent and sustainable operational and financial growth. The Board believes that this Proposed Acquisition should enable the Company to generate renewed investor interest in its shares and create the potential to establish a wider investor base, and ultimately enhance the long-term interests of the Company and its shareholders.

On 9 November 2020, the SGX-ST has informed that it has “no-objection” to granting the waiver of the requirements to comply with Rules 1015(1)(a)(ii) and 1015(4)(a) of the Catalist Rules (read with Rule 407(1) of the Catalist Rules), specifically, the requirement to present the pro forma financial statements of the enlarged group in relation to the proposed acquisition in the Circular. The Company has accordingly made the announcement on the receipt of the SGX-ST’s “no-objection” on the grant of waiver on 10 November 2020.

The Company has also announced on 18 November 2020 that the Securities Industry Council (“SIC”) has granted the Whitewash Waiver in relation to the Proposed Acquisition (capitalised terms and references have the same meaning as ascribed to them in the Company’s 18 November 2020 announcement). The SIC has waived the obligation for the Vendors to make a general offer for the Company under Rule 14 of the Code in the event the Vendors and their concert parties acquire more than 30% of the total voting rights of the Company based on its enlarged issued capital as a result of the issue of the Consideration Shares to the Vendors, subject to stipulated terms and conditions.

The Company will provide further updates to Shareholders of the Company as and when there are material developments to the above.

Cautionary Statement

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company, as there is no certainty or assurance that the Company will be able to acquire a business that meets the SGX-ST’s requirements for a new listing within the timeframe prescribed by the SGX-ST. The Company will make the necessary announcements when there are further material developments as and when appropriate.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

By Order of the Board

Ong Kian Soon
Company Secretary

15 January 2021

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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