

CPH LTD.

**Unaudited Half Year Financial Statement and Dividend Announcement for the Financial Period
Ended 30 September 2017**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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**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 30/09/2017	Six months ended 30/09/2016	Increase/ (Decrease)
Revenue	2,978	2,833	5.1
Cost of sales	(3,069)	(2,774)	10.6
Gross profit	(91)	59	(254.2)
Interest income	14	13	7.7
Other income	329	204	61.3
Selling and distribution costs	(32)	(33)	(3.0)
Administrative and other operating expenses	(726)	(893)	(18.7)
Finance costs	(13)	(9)	44.4
Share of results of associate, net of tax	(141)	(156)	(9.6)
Loss before income tax	(660)	(815)	(19.0)
Income tax expense	-	-	NM
Loss for the financial period, attributable to owners of the parent	(660)	(815)	(19.0)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operation	(19)	14	(235.7)
Total comprehensive income for the financial period, attributable to owners of the parent	(679)	(801)	(15.2)

NM = Not Meaningful

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

	Group		
	S\$'000		%
	30/09/2017	30/09/2016	Increase/ (Decrease)
Loss after income tax is arrived at:			
After charging:			
Depreciation of property, plant and equipment	163	182	(10.4)
Foreign exchange loss	-	149	(100.0)
Interest expense	13	9	44.4
and crediting:			
Interest income	14	13	7.7
Rental Income	226	177	27.7
Foreign exchange gain	77	-	NM

NM = Not Meaningful

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 30/09/2017 S\$'000	Group As at 31/03/2017 S\$'000	Company As at 30/09/2017 S\$'000	Company As at 31/03/2017 S\$'000
Non-current assets				
Subsidiaries	-	-	12,391	12,391
Associate	407	548	-	-
Property, plant and equipment	1,065	1,198	-	-
Investment property	8,500	8,500	-	-
	<u>9,972</u>	<u>10,246</u>	<u>12,391</u>	<u>12,391</u>
Current assets				
Inventories	1,433	1,327	-	-
Trade and other receivables	1,236	1,088	3,373	3,630
Prepayments	43	47	16	10
Cash and cash equivalents	2,693	3,255	15	13
	<u>5,405</u>	<u>5,717</u>	<u>3,404</u>	<u>3,653</u>
Less:				
Current liabilities				
Trade and other payables	1,065	1,121	99	122
Bank borrowings	763	601	-	-
Finance lease payables	30	28	-	-
	<u>1,858</u>	<u>1,750</u>	<u>99</u>	<u>122</u>
Net current assets	<u>3,547</u>	<u>3,967</u>	<u>3,305</u>	<u>3,531</u>
Less:				
Non-current liabilities				
Finance lease payables	22	37	-	-
	<u>22</u>	<u>37</u>	<u>-</u>	<u>-</u>
Net assets	<u>13,497</u>	<u>14,176</u>	<u>15,696</u>	<u>15,922</u>
Capital and reserves				
Share capital	24,764	24,764	24,764	24,764
Foreign currency translation account	(270)	(251)	-	-
Share-based payment reserve	10	10	10	10
Accumulated losses	(11,007)	(10,347)	(9,078)	(8,852)
Total equity attributable to owners of the parent	<u>13,497</u>	<u>14,176</u>	<u>15,696</u>	<u>15,922</u>

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

Amount repayable in one year or less, or on demand

As at 30/09/2017 S\$'000		As at 31/03/2017 S\$'000	
Secured	Unsecured	Secured	Unsecured
30	763	28	601

Amount repayable after one year

As at 30/09/2017 S\$'000		As at 31/03/2017 S\$'000	
Secured	Unsecured	Secured	Unsecured
22	-	37	-

Details of any collateral

The finance leases of the Group are secured by PCB Tester and a copier.

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 30/09/2017 S\$'000	Six months ended 30/09/2016 S\$'000
Operating activities		
Loss before income tax	(660)	(815)
Adjustments for :		
Depreciation of property, plant and equipment	163	182
Interest expense	13	9
Interest income	(14)	(13)
Unrealised foreign exchange (gain)/ loss	(60)	160
Share of results of associate, net of tax	141	156
Operating cash flows before working capital changes	<u>(417)</u>	<u>(321)</u>
Working capital changes:		
Inventories	(84)	202
Trade and other receivables	(138)	119
Prepayments	4	(14)
Trade and other payables	<u>(64)</u>	<u>(73)</u>
Net cash used in operating activities	<u>(699)</u>	<u>(87)</u>
Investing activities		
Purchase of plant and equipment	(11)	(7)
Interest received	14	13
Net cash from investing activities	<u>3</u>	<u>6</u>
Financing activities		
Proceeds from trust receipts	1,734	619
Repayment of trust receipts	(1,572)	(776)
Repayment of finance lease payable	(14)	(14)
Interest paid	<u>(13)</u>	<u>(9)</u>
Net cash from/(used in) financing activities	<u>135</u>	<u>(180)</u>
Net change in cash and cash equivalents	(561)	(261)
Cash and cash equivalents at beginning of financial period	3,255	3,600
Effects of exchange rate changes on cash and cash equivalents	<u>(1)</u>	<u>(6)</u>
Cash and cash equivalents at end of financial period (See Note A)	<u><u>2,693</u></u>	<u><u>3,333</u></u>

Note A

Cash and cash equivalents comprise fixed deposits and cash and bank balances.

	Six months ended 30/09/2017 S\$'000	Six months ended 30/09/2016 S\$'000
Fixed deposits with banks	2,936	2,925
Cash and bank balances	<u>(243)</u>	<u>408</u>
	<u><u>2,693</u></u>	<u><u>3,333</u></u>

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

The Group	Share capital S\$'000	Foreign currency translation account S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance at 1 April 2016	24,764	(302)	10	(8,686)	15,786
Loss for the financial period	-	-	-	(815)	(815)
Other comprehensive income	-	14	-	-	14
Total comprehensive income for the financial period	-	14	-	(815)	(801)
Balance at 30 September 2016	24,764	(288)	10	(9,501)	14,985
Balance at 1 April 2017	24,764	(251)	10	(10,347)	14,176
Loss for the financial period	-	-	-	(660)	(660)
Other comprehensive income	-	(19)	-	-	(19)
Total comprehensive income for the financial period	-	(19)	-	(660)	(679)
Balance at 30 September 2017	24,764	(270)	10	(11,007)	13,497

The Company	Share capital S\$'000	Accumulated losses S\$'000	Share-based payment reserve S\$'000	Total S\$'000
Balance at 1 April 2016	24,764	(8,007)	10	16,767
Total comprehensive income for the financial period	-	(208)	-	(208)
Balance at 30 September 2016	24,764	(8,215)	10	16,559
Balance at 1 April 2017	24,764	(8,852)	10	15,922
Total comprehensive income for the financial period	-	(226)	-	(226)
Balance at 30 September 2017	24,764	(9,078)	10	15,696

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 2017 and 30 September 2017. There was no change in the Company's share capital from 31 March 2017 up to 30 September 2017.

The Company did not have any outstanding convertible securities or treasury shares as at 30 September 2017 and 30 September 2016. There were also no subsidiary holdings as at 30 September 2017 and 30 September 2016.

- 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 2017 and 31 March 2017 was 1,229,226,124 ordinary shares.

The Company did not have any treasury shares as at 30 September 2017 and 31 March 2017.

- 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.

- 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 2017 ("FY2017").

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 adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and are effective in the current financial periods beginning on or after 1 April 2017. The adoption of these new or revised FRS and INT FRS, where relevant, has no material financial impact on the Group's accounting policies or the financial statements for the current financial period reported on.

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.

Loss per ordinary share of the Group based on loss attributable to owners of the Company	Group	
	30/09/2017	30/09/2016
(Loss) attributable to owners of the parent (SGD' 000)	(660)	(815)
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.05)	(0.07)
(b) On a fully diluted basis (SGD cents)	(0.05)	(0.07)

Loss per ordinary share for the half year ended 30 September 2017 and half year ended 30 September 2016 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 1H2018 and 1H2017 because the Company did not have any potentially 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 30/09/2017	As at 31/03/2017	As at 30/09/2017	As at 31/03/2017
Net asset value per ordinary share based on issued share capital (SGD cents)	1.10 cents	1.15 cents	1.28 cents	1.30 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 2017 and 31 March 2017.

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 factors 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 2017 ("1H2018") vs. half year ended 30 September 2016 ("1H2017"))

Revenue

Group revenue increased by S\$0.15 million or 5.1%, from S\$2.83 million in 1H2017 to S\$2.98 million in 1H2018 as the demand of our products from our customers increase. The increase could be higher if not due to currencies exchange translation from the weaker Malaysia currency to Singapore dollar arising from the revenue generated from Malaysia.

Gross profit

Due to higher cost of raw materials imported into Malaysia arising from the weaker Malaysia currency, the Group's gross profit decreased from S\$0.06 million in 1H2017 to a gross loss of S\$0.09 million in 1H2018.

Other Income

Other income in 1H2018 increased by S\$0.13 million from S\$0.20 million in 1H2017 to S\$0.33 million recorded in 1H2018. The increase was mainly due to an exchange gain of S\$0.08 million as a result of translating foreign currency denominated balances and the increase in rental income of S\$0.05 million as most of the vacant spaces for lease were rented out during 1H2018 as compared to 1H2017 where more spaces were vacant.

Expenses

Selling and distribution expenses remained at S\$0.03 million for both 1H2018 and 1H2017.

The Group's administrative and other operating expenses decreased from S\$0.89 million in 1H2017 to S\$0.73 million in 1H2018. The decrease was mainly due to a reduction in administrative expenses of S\$0.02 million in 1H2018 as compared to an exchange loss of S\$0.15 million in 1H2017.

The Group's depreciation expense was decreased by S\$0.02 million to S\$0.16 million in 1H2018 as certain plant and equipment were fully depreciated with no significant additions during 1H2018.

The Group's finance costs maintained as S\$0.01 million for both 1H2018 and 1H2017.

Loss before Income Tax

As a result of the above, the Group recorded a loss before income tax of S\$0.66 million in 1H2018 as compared to a loss before income tax of S\$0.82 million in 1H2017.

Statement of Financial Position

The Group's property, plant and equipment decreased from S\$1.20 million as at the end of FY2017 to S\$1.07 million as at the end of 1H2018 mainly due to depreciation charges of S\$0.16 million offset by an addition of S\$0.01 million of office equipment.

Inventories increased from S\$1.33 million as at the end of FY2017 to S\$1.43 million as at the end of 1H2018. Trade and other receivables also increased from S\$1.09 million as at the end of FY2017 to S\$1.24 million as at the end of 1H2018. The increase in both inventories and trade and other receivables were in line with the increase in revenue during the last few months of 1H2018 as compared to the last few months of FY2017.

Trade and other payables reduced from S\$1.12 million as at the end of FY2017 to S\$1.07 million as at the end of 1H2018 as a higher amount of trust receipts from the bank was utilised to pay off the trade payables. As a result, bank borrowings increased to S\$0.76 million as at the end of 1H2018 from S\$0.60 million recorded as at the end of FY2017.

The Group recorded a positive working capital position of S\$3.55 million as at the end of 1H2018 as compared with S\$3.97 million as at the end of FY2017.

Cash Flow and Working Capital

The Group has an operating cash outflow of S\$0.42 million before working capital changes for 1H2018. During 1H2018, trade and other receivables increased by S\$0.14 million and inventories increased by S\$0.08 million, whereas trade and other payables decreased by S\$0.06 million. As the result, an amount of S\$0.70 million was used for operating activities.

During 1H2018, S\$0.01 million was used for the purchase of office equipment.

For the financing activities, a net amount of S\$0.16 million was generated from the proceeds of trust receipts and S\$0.03 million was used for repayment of finance lease and interest.

The Group's cash and cash equivalents as at the end of 1H2018 was S\$2.69 million as compared to S\$3.33 million as at the end of FY2017.

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 1H2018 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.

The competitive environment and the increase in the cost of raw materials will continue to affect the demand and margins of the Group's products.

While the Group continues with its efforts to expand and strengthen its customer base, we would also step up cost cutting measures so as to stay competitive.

The Group will also continue to explore business opportunities for investments, acquisitions and/or joint ventures to diversify its earnings base.

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

No dividend has been declared / recommended for the six months period ended 30 September 2017.

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 half year results for the six months financial period ended 30 September 2017 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 1H2018.

15. Update on use of Proceeds

Update on use of Placement Proceeds

On 27 February 2008, the Company issued 64,000,000 shares by way of a private placement (the “**2008 Placement**”) and the net proceeds amounted to approximately S\$2.27 million. The Company has not, as yet, utilised the net proceeds from the 2008 Placement which was intended

to be utilised for investment and business expansion, including potential acquisitions. If there are fewer opportunities in investment and business expansion, the Company may re-deploy part or all of these proceeds for the purchase of raw materials in the PCB business in the future. The full amount has been placed as term deposits with a bank.

As part of the Company's strategy to execute its investment and business expansion plan, the Company had on 18 December 2012 completed a share placement exercise (the "2012 Placement") in which a total of 150,000,000 ordinary shares were issued and gross proceeds of approximately S\$1.49 million were raised. The following table shows an update on the use of proceeds from the 2012 Placement as at the date of this announcement:

Intended Use	S\$ million		
	Approximate Amount Allocated	Amount Used To Date	Amount Remaining
1. Support business expansion through acquisitions, joint ventures and Collaborations in business other than the PCB business	0.67	-	0.67
- purchase of raw materials in the PCB business	0.34	0.34 ⁽²⁾	Nil
2. General working capital			
- purchase of raw materials in the PCB business	0.43	0.43	Nil
3. Expenses incurred in connection with the Placement Shares	0.04	0.04	Nil
- purchase of raw materials in the PCB business	0.01	0.01 ⁽¹⁾	Nil
Total	1.49	0.82	0.67

Note:

- (1) Approximately S\$0.01 million was redeployed from the amount allocated for expenses incurred in connection with the Placement Shares for the purchase of raw materials in the PCB business.
- (2) As there are fewer opportunities in business expansion through acquisitions, joint ventures and collaborations in business other than the PCB business, approximately S\$0.34 million was redeployed from the amount allocated for this purpose to the purchase of raw materials in the PCB business.

16. 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).

BY ORDER OF THE BOARD

Choo Tung Kheng
 Managing Director
 14 November 2017