

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 MARCH 2021;**
(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 March 2021 were as follows:-

	S\$’000
<u>Assets</u>	
Investment property	6,500
Property, plant and equipment	51
Right-of-use (ROU) asset ⁽¹⁾	1,650
Other current assets ⁽²⁾	55
Cash and cash equivalents	554
Total assets	<u>8,810</u>
<u>Liabilities</u>	
Bank loan	863
Other current liabilities ⁽³⁾	724
Hire purchase lease	2
Lease liability relating to ROU asset ⁽¹⁾	1,556
Total liabilities	<u>3,145</u>
Net assets	<u><u>5,665</u></u>

Notes:

- (1) 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.
(2) Other current assets comprise other receivables and prepayments.
(3) Other current liabilities comprise trade and other payables (including payables to professionals for fees related to the proposed acquisition of Shanaya Environmental Services Pte. Ltd.), accrued expenses and rental deposits.

(b) The Company’s utilisation of cash in the month of March 2021 was as follows:-

	S\$’000
Opening cash and bank balances	586
Add receipts:	
Rental income ⁽¹⁾	55
Government grants	8
Refund of a business licence deposit	2
	<u>65</u>

Less payments:	
Staff cost	25
Land leases and property tax	19
Professional fees ⁽²⁾	16
Finance cost	2
Other administrative and operating expenses	8
Hire purchase instalment payment	1
Trade and other payables	2
Expenses incurred for the extra-ordinary general meeting ⁽³⁾	7
Repayment of bank loan	17
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	97
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Closing cash and bank balances	554
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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 for an aborted proposed corporate action.*
- (3) *The extraordinary general meeting was held on 24 February 2021 to obtain approval for the disposal of the Singapore factory.*

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

(II) Update on disposal of assets

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. The Notice of EGM and a circular to Shareholders ("**Circular**") setting out further information on the Proposed Disposal was released by the Company on the SGXNet on 9 February 2021 and the Shareholders' approval was duly obtained at the EGM held by way of electronic means on 24 February 2021.

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 Company will provide further updates to Shareholders of the Company as and when there are material developments to the above and when the Proposed Disposal is completed.

(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.

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.

Clause 3(a)(ix) of the SIC letter granting the Whitewash Waiver stipulated that the Whitewash Resolution must be obtained within 3 months of the SIC’s grant (i.e. by 17 February 2021) and the subscription of the Consideration Shares by the Vendors must be completed within 3 months of approval of the Whitewash Resolution. On 16 February 2021, the Company has made an application to the SIC to seek an extension of 4 months (i.e. by 17 June 2021) to obtain shareholders’ approval for *inter alia*, the Proposed Acquisition and the Whitewash Resolution (“**Whitewash Waiver Extension**”).

The Company has been a cash company as defined under Catalist Rule 1017 since 2 April 2020 and is required to meet the requirements for a new listing within 12 months from 2 April 2020 (i.e. by 1 April 2021). On 16 February 2021, the Company has made an application to the SGX-ST for a 6-month time extension from 1 April 2021 (“**Original Deadline**”) to 30 September 2021 to allow the Company to complete the Proposed Acquisition and meet the requirements for a new listing (“**Cash Company Extension**”). The SGX-ST has advised on 16 March 2021 that it has no objection to granting the Company the 6-month extension to 30 September 2021, subject to certain terms and conditions.

Please refer to the announcements dated 16 February 2021 and 16 March 2021 released by the Company on SGXNet for further details on the Whitewash Waiver Extension and the Cash Company Extension, including the reasons for seeking the aforementioned extensions.

The Company and its professionals are working towards the submission of the pre-admission notification to the SGX-ST. The Company will provide further updates to Shareholders 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
Director

16 April 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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