

**CPH LTD.**

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**Unaudited Half Year Financial Statement and Dividend Announcement for the Financial Period  
Ended 30 September 2016**

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*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**

	<b>Group</b>		
	S\$'000		%
	Six months ended 30/09/2016	Six months ended 30/09/2015	Increase/ (Decrease)
Revenue	2,833	3,157	(10.3)
Cost of sales	(2,774)	(2,937)	(5.5)
Gross profit	59	220	(73.2)
Interest income	13	7	85.7
Other income	204	334	(38.9)
Selling and distribution expenses	(33)	(34)	(2.9)
Administrative and other operating expenses	(893)	(1,423)	(37.2)
Finance costs	(9)	(11)	(18.2)
Share of results of associate, net of tax	(156)	(106)	47.2
Loss before income tax	(815)	(1,013)	(19.5)
Income tax expense	-	-	NM
Loss for the financial period	(815)	(1,013)	(19.5)
<b>Other comprehensive income:</b>			
<i>Items that will or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	14	31	(54.8)
<b>Other comprehensive income for the financial year, net of tax</b>	14	31	(54.8)
<b>Total comprehensive income for the financial year</b>	(801)	(982)	(18.4)
<b>Loss attributable to:</b>			
Owners of the parent	(815)	(1,013)	(19.5)
Non-controlling interests	-	-	NM
	(815)	(1,013)	(19.5)
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	(801)	(982)	(18.4)
Non-controlling interests	-	-	NM
	(801)	(982)	(18.4)

NM = Not Meaningful

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

	<b>Group</b>		
	S\$'000		%
	30/09/2016	30/09/2015	Increase/ (Decrease)
Loss after income tax is arrived at:	30/09/2016	30/09/2015	Increase/ (Decrease)
<b>After charging:</b>			
Depreciation of property, plant and equipment	182	237	(23.2)
Foreign exchange loss	149	614	(75.7)
Interest expense	9	11	(18.2)
<b>and crediting:</b>			
Interest income	13	7	85.7
Rental Income	177	301	(41.2)

**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**

	<b>Group</b> As at 30/09/2016 S\$'000	<b>Group</b> As at 31/03/2016 S\$'000	<b>Company</b> As at 30/09/2016 S\$'000	<b>Company</b> As at 31/03/2016 S\$'000
<b>Non-current assets</b>				
Subsidiaries	-	-	12,731	12,731
Associate	492	648	-	-
Property, plant and equipment	1,410	1,617	-	-
Investment property	8,500	8,500	-	-
	<u>10,402</u>	<u>10,765</u>	<u>12,731</u>	<u>12,731</u>
<b>Current assets</b>				
Inventories	1,386	1,649	-	-
Trade and other receivables	1,148	1,284	3,812	3,861
Prepayments	56	42	19	10
Cash and cash equivalents	3,333	3,600	83	293
	<u>5,923</u>	<u>6,575</u>	<u>3,914</u>	<u>4,164</u>
Less:				
<b>Current liabilities</b>				
Trade and other payables	935	1,004	86	128
Bank borrowings	314	471	-	-
Finance lease payables	28	23	-	-
	<u>1,277</u>	<u>1,498</u>	<u>86</u>	<u>128</u>
Net current assets	<u>4,646</u>	<u>5,077</u>	<u>3,828</u>	<u>4,036</u>
Less:				
<b>Non-current liabilities</b>				
Deferred tax liabilities	10	11	-	-
Finance lease payables	53	45	-	-
	<u>63</u>	<u>56</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>14,985</u>	<u>15,786</u>	<u>16,559</u>	<u>16,767</u>
<b>Capital and reserves</b>				
Share capital	24,764	24,764	24,764	24,764
Foreign currency translation account	(288)	(302)	-	-
Share-based payment reserve	10	10	10	10
Accumulated losses	(9,501)	(8,686)	(8,215)	(8,007)
<b>Equity attributable to owners of the parent</b>	<u>14,985</u>	<u>15,786</u>	<u>16,559</u>	<u>16,767</u>
Non-controlling interests	-	-	-	-
<b>Total equity</b>	<u>14,985</u>	<u>15,786</u>	<u>16,559</u>	<u>16,767</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 30/09/2016 S\$'000		As at 31/03/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
28	314	23	471

**Amount repayable after one year**

As at 30/09/2016 S\$'000		As at 31/03/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
53	-	45	-

**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.**

	<b>Group</b>	
	<b>Six months ended 30/09/2016 S\$'000</b>	<b>Six months ended 30/09/2015 S\$'000</b>
<b>Operating activities</b>		
Loss before income tax	(815)	(1,013)
Adjustments for :		
Depreciation of property, plant and equipment	182	237
Interest expense	9	11
Interest income	(13)	(7)
Unrealised foreign exchange loss	160	600
Share of results of associate, net of tax	156	106
Operating cash flows before working capital changes	<u>(321)</u>	<u>(66)</u>
Working capital changes:		
Inventories	202	69
Trade and other receivables	119	(168)
Prepayments	(14)	1
Trade and other payables	<u>(73)</u>	<u>234</u>
Net cash (used in) / from operating activities	<u>(87)</u>	<u>70</u>
<b>Investing activities</b>		
Purchase of plant and equipment	(7)	(5)
Interest received	13	7
Net cash from investing activities	<u>6</u>	<u>2</u>
<b>Financing activities</b>		
Proceeds from trust receipts	619	594
Repayment of trust receipts	(776)	(1,003)
Repayment of finance lease payable	(14)	(11)
Interest paid	<u>(9)</u>	<u>(11)</u>
Net cash used in financing activities	<u>(180)</u>	<u>(431)</u>
Net change in cash and cash equivalents	(261)	(359)
Cash and cash equivalents at beginning of financial period	3,600	4,087
Exchange difference on cash and cash equivalents	<u>(6)</u>	<u>(50)</u>
Cash and cash equivalents at end of financial period (See Note A)	<u><u>3,333</u></u>	<u><u>3,678</u></u>

**Note A**

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

	<b>Six months ended 30/09/2016 S\$'000</b>	<b>Six months ended 30/09/2015 S\$'000</b>
Fixed deposits with banks	2,925	2,909
Cash and bank balances	<u>408</u>	<u>769</u>
	<u><u>3,333</u></u>	<u><u>3,678</u></u>

**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 S\$'000	Foreign currency translation account S\$'000	Share- based payment reserve S\$'000	Accumulated losses S\$'000	Total equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
<b>Balance at 1 April 2015</b>	24,764	(276)	10	(7,743)	16,755	-	16,755
Loss for the financial period	-	-	-	(1,013)	(1,013)	-	(1,013)
Other comprehensive income	-	31	-	-	31	-	31
Total comprehensive income for the financial period	-	31	-	(1,013)	(982)	-	(982)
<b>Balance at 30 September 2015</b>	24,764	(245)	10	(8,756)	15,773	-	15,773
<b>Balance at 1 April 2016</b>	24,764	(302)	10	(8,686)	15,786	-	15,786
Loss for the financial period	-	-	-	(815)	(815)	-	(815)
Other comprehensive income	-	14	-	-	14	-	14
Total comprehensive income for the financial period	-	14	-	(815)	(801)	-	(801)
<b>Balance at 30 September 2016</b>	24,764	(288)	10	(9,501)	14,985	-	14,985

The Company	Share capital S\$'000	Accumulate d losses S\$'000	Share- based payment reserve S\$'000	Total S\$'000
<b>Balance at 1 April 2015</b>	24,764	(7,419)	10	17,355
Total comprehensive income for the financial period	-	(231)	-	(231)
<b>Balance at 30 September 2015</b>	24,764	(7,650)	10	17,124
<b>Balance at 1 April 2016</b>	24,764	(8,007)	10	16,767
Total comprehensive income for the financial period	-	(208)	-	(208)
<b>Balance at 30 September 2016</b>	24,764	(8,215)	10	16,559

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares (excluding treasury shares 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.**

The share capital of the Company was S\$24,764,175 divided into 1,229,226,124 ordinary shares as at 31 March 2016 and 30 September 2016. There was no change in the Company’s share capital from 31 March 2016 up to 30 September 2016.

The Company did not have any outstanding convertible securities or treasury shares as at 30 September 2016 and 30 September 2015.

**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 2016 and 31 March 2016 was 1,229,226,124 ordinary shares.

The Company did not have any treasury shares as at 30 September 2016 and 31 March 2016.

**1(d)(iv)A statement showing all sales, transfers, disposals, 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.

**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 2016 (“FY2016”).



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 2016. 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	
	30/09/2016	30/09/2015
(Loss) attributable to owners of the parent (SGD' 000)	(815)	(1,013)
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.07)	(0.08)
(b) On a fully diluted basis (SGD cents)	(0.07)	(0.08)

Loss per ordinary share for the half year ended 30 September 2016 and half year ended 30 September 2015 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 1H2017 and 1H2016 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 30/09/2016	As at 31/03/2016	As at 30/09/2016	As at 31/03/2016
Net asset value per ordinary share based on issued share capital (SGD cents)	1.22 cents	1.28 cents	1.35 cents	1.36 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 2016 and 31 March 2016.

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 2016 ("1H2017") vs. half year ended 30 September 2015 ("1H2016"))

Revenue

Group revenue decreased by S\$0.33 million or 10.3%, from S\$3.16 million in 1H2016 to S\$2.83 million in 1H2017. This was mainly due to the lower demand from our customers as well as the currencies exchange translation from the weaker Malaysia currency to Singapore dollar.

Gross profit

Group's gross profit decreased by S\$0.16 million from S\$0.22 million in 1H2016 to S\$0.06 million in 1H2017. The Group's gross profit margin decreased from 7.0% in 1H2016 to 2.1% in 1H2017. The lower gross profit and gross profit margin were mainly attributed by higher cost of imported raw material caused by weaker Malaysia currency as well as lower sales.

Other Income

Other income in 1H2017 decreased by S\$0.13 million from S\$0.33 million in 1H2016 to S\$0.20 million recorded in 1H2017. The decrease was mainly attributable to the decrease in rental income of S\$0.12 million as the rental rates were lower for the new leases coupled with certain vacant spaces not leased out during 1H2017.

Expenses

Selling and distribution expenses remained at S\$0.03 million for both 1H2017 and 1H2016.

The Group's administrative and other operating expenses decreased from S\$1.42 million in 1H2016 to S\$0.89 million in 1H2017. The decreases were mainly due to a lower exchange loss of S\$0.46 million and a reduction in staff cost of S\$0.08 million. The exchange loss was S\$0.61 million in 1H2016 as compared to S\$0.15 million in 1H2017.

The Group's depreciation expense for 1H2017 was S\$0.18 million, a decrease of S\$0.06 million as compared to S\$0.24 million recorded in 1H2016 as certain plant and equipment were fully depreciated and there was no significant addition during 1H2017.

The Group's finance cost maintained as S\$0.01 million for both 1H2017 and 1H2016.

Loss before Income Tax

The Group recorded a loss of S\$0.16 million in its share of results of associate for 1H2017 as compared to S\$0.11 million for 1H2016 due to the higher staff and administration costs pursuant to the opening of a new outlet which has yet to contribute positively to the associate.

As a result of the above, the Group recorded a loss before income tax of S\$0.82 million in 1H2017 as compared to S\$1.01 million in 1H2016.

## Statement of Financial Position

The Group's property, plant and equipment decreased from S\$1.62 million as at the end of FY2016 to S\$1.41 million as at the end of 1H2017 mainly due to depreciation charges of S\$0.18 million and translation exchange loss of S\$0.06 million from the property, plant and equipment in the Group's Malaysia factory offset by an addition of S\$0.03 million of office equipment and plant and machinery.

Inventories reduced from S\$1.65 million as at the end of FY2016 to S\$1.39 million as at the end of 1H2017. Trade and other receivables also decreased from S\$1.28 million as at the end of FY2016 to S\$1.15 million as at the end of 1H2017. The decrease in both inventories and trade and other receivables were in line with the decrease in revenue during 1H2017. Cash and cash equivalents decreased by S\$0.27 million mainly due to the net repayment of trust receipts.

Trade and other payables reduced from S\$1.00 million as at the end of FY2016 to S\$0.94 million as at the end of 1H2017 as purchases decreased during 1H2017 in line with the decrease in revenue during 1H2017.

The Group recorded a positive working capital position of S\$4.65 million as at the end of 1H2017.

## Cash Flow and Working Capital

The Group has an operating cash outflow of S\$0.32 million before working capital changes for 1H2017. During 1H2017, trade and other receivables decreased by S\$0.12 million, whereas an amount of S\$0.07 million and S\$0.20 million were recorded for the decrease of trade and other payables and inventories respectively. As the result, an amount of S\$0.09 million was used for operating activities.

During 1H2017, an amount of S\$0.01 million was used for the purchase of office and computer equipment.

For the financing activities, a net amount of S\$0.16 million was utilised for the repayment of trust receipts. An amount of S\$0.01 million was used for repayment of finance lease and interests respectively in 1H2017.

The Group's cash and cash equivalents as at the end of 1H2017 was S\$3.33 million as compared to S\$3.68 million as at the end of FY2016.

**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 1HFY2017 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 global economic outlook in the near term is expected to remain weak which will continue to affect the demand and margins of the Group's products.

The Group will continue to step up measures to improve operational efficiency to maintain our market position and stay competitive.

**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 2016.

**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 2016 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 1H2017.

**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. 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	1.01	-	1.01
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 - purchase of raw materials in the PCB business	0.04 0.01	0.04 0.01 <sup>(1)</sup>	Nil Nil
<b>Total</b>	<b>1.49</b>	<b>0.48</b>	<b>1.01</b>

**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.

**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 2016