

CPH LTD.

**Unaudited Half Year Financial Statement and Dividend Announcement for the Financial Period Ended
30 September 2014**

This announcement has been prepared by CPH Ltd. ("the Company") and its contents have been reviewed by the by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.(the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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 30/09/2014	Six months ended 30/09/2013 (restated)	Increase/ (Decrease)
<u>Continuing operations</u>			
Revenue	3,954	3,608	9.6
Cost of sales	(3,583)	(3,298)	8.6
Gross profit	371	310	19.7
Share of results of associate, net of tax	(35)	(92)	(62.0)
Interest income	3	4	(25.0)
Other income	315	259	21.6
Selling and distribution expenses	(55)	(48)	14.6
Administrative and other operating expenses	(783)	(936)	(16.3)
Finance costs	(17)	(11)	54.5
Loss from continuing operations, before income tax	(201)	(514)	(60.9)
Income tax expense	-	-	-
Loss from continuing operations, net of tax	(201)	(514)	(60.9)
<u>Discontinued operations</u>			
Loss from discontinued operations, net of tax	-	(878)	(100.0)
Loss for the financial year	(201)	(1,392)	(85.6)
Other comprehensive income:			
<i>Items that will or may be reclassified subsequently to profit or loss:</i>			
Continuing operations			
Exchange differences on translating foreign operations	(8)	(54)	(85.2)
Discontinued operations			
Exchange differences on translating foreign operations	-	(10)	(100.0)
Other comprehensive income for the financial year, net of tax	(8)	(64)	(87.5)
Total comprehensive income for the financial year	(209)	(1,456)	(85.6)
Loss attributable to:			
Owners of the parent			
- Continuing operations	(198)	(514)	(61.5)
- Discontinued operations	-	(453)	(100.0)
	(198)	(967)	(79.5)
Non-controlling interests			
- Continuing operations	(3)	-	NM
- Discontinued operations	-	(425)	(100.0)
	(3)	(425)	(99.3)
	(201)	(1,392)	(85.6)
Total comprehensive income attributable to:			
Owners of the parent			
- Continuing operations	(206)	(458)	(55.0)
- Discontinued operations	-	(573)	(100.0)
	(206)	(1,031)	(80.0)
Non-controlling interests			
- Continuing operations	(3)	-	NM
- Discontinued operations	-	(425)	(100.0)
	(3)	(425)	(99.3)
	(209)	(1,456)	(85.6)

NM = Not Meaningful

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

	Group		
	S\$'000		%
	30/09/2014	30/09/2013 (Restated)	Increase/ (Decrease)
Loss after income tax is arrived at:			
After charging:			
Continuing operations			
Depreciation of property, plant and equipment	285	307	(7.2)
Foreign exchange loss	-	113	(100.0)
Interest expense	17	11	54.5
Discontinued operations			
Depreciation of property, plant and equipment	-	260	(100.0)
Interest expense	-	22	(100.0)
and crediting:			
Continuing operations			
Interest income	3	4	(25.0)
Rental Income	294	231	27.3
Foreign exchange gain	17	-	NM
Discontinued operations			
Foreign exchange gain	-	1	(100.0)

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 30/09/2014 S\$'000	Group As at 31/03/2014 S\$'000	Company As at 30/09/2014 S\$'000	Company As at 31/03/2014 S\$'000
Non-current assets				
Subsidiaries	-	-	12,731	12,731
Associate	620	654	-	-
Property, plant and equipment	2,547	2,802	-	-
Investment property	8,000	8,000	-	-
Available-for-sale financial asset	98	98	98	98
Other receivables	-	-	2,667	2,638
	<u>11,265</u>	<u>11,554</u>	<u>15,496</u>	<u>15,467</u>
Current assets				
Inventories	1,951	1,937	-	-
Trade and other receivables	2,143	1,678	1,183	1,254
Prepayments	57	53	19	9
Cash and cash equivalents	3,877	4,363	743	946
	<u>8,028</u>	<u>8,031</u>	<u>1,945</u>	<u>2,209</u>
Less:				
Current liabilities				
Trade and other payables	1,262	1,327	95	125
Bank borrowings	731	757	-	-
Finance lease payables	24	22	-	-
	<u>2,017</u>	<u>2,106</u>	<u>95</u>	<u>125</u>
Net current assets	<u>6,011</u>	<u>5,925</u>	<u>1,850</u>	<u>2,084</u>
Less:				
Non-current liability				
Deferred tax liabilities	171	169	-	-
Finance lease payables	90	102	-	-
	<u>261</u>	<u>271</u>	<u>-</u>	<u>-</u>
Net assets	<u>17,015</u>	<u>17,208</u>	<u>17,346</u>	<u>17,551</u>
Capital and reserves				
Share capital	24,764	24,764	24,764	24,764
Foreign currency translation account	(250)	(258)	-	-
Share-based payment reserve	10	10	10	10
Accumulated losses	(7,509)	(6,055)	(7,428)	(7,223)
Equity attributable to owners of the parent	<u>17,015</u>	<u>18,461</u>	<u>17,346</u>	<u>17,551</u>
Non-controlling interests	-	(1,253)	-	-
Total equity	<u>17,015</u>	<u>17,208</u>	<u>17,346</u>	<u>17,551</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 30/09/2014 S\$'000		As at 31/03/2014 S\$'000	
Secured	Unsecured	Secured	Unsecured
24	731	22	757

Amount repayable after one year

As at 30/09/2014 S\$'000		As at 31/03/2014 S\$'000	
Secured	Unsecured	Secured	Unsecured
90	-	102	-

Details of any collateral

The finance lease of the Group is secured by PCB Tester under finance lease. PCB Tester was purchased by subsidiary of the Company, Circuits Plus (M) Sdn. Bhd.

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 30/09/2014 S\$'000	Six months ended 30/09/2013 S\$'000
Operating activities		
Loss before income tax from continuing operations	(195)	(514)
Loss before income tax from discontinued operation	(6)	(878)
Loss before income tax, total	(201)	(1,392)
Adjustments for :		
Property, plant and equipment written off	2	-
Depreciation of property, plant and equipment	285	567
Interest expense	17	33
Interest income	(3)	(4)
Share of results of associate, net of tax	35	93
Operating cash flows before working capital changes	135	(703)
Working capital changes:		
Inventories	2	142
Trade and other receivables	(425)	(125)
Prepayments	(5)	32
Trade and other payables	(134)	(148)
Net cash used in operating activities	(427)	(802)
Investing activities		
Purchase of plant and equipment	(11)	(92)
Interest received	3	4
Net cash used in investing activities	(8)	(88)
Financing activities		
Proceeds from trust receipts	1,411	1,063
Repayment of trust receipts	(1,487)	(1,151)
Repayment of finance lease payable	(11)	-
Proceed from bank borrowing	51	-
Interest paid	(17)	(33)
Net cash used in financing activities	(53)	(121)
Net change in cash and cash equivalents	(488)	(1,011)
Cash and cash equivalents at beginning of financial period	4,363	5,492
Exchange difference on cash and cash equivalents	2	(13)
Cash and cash equivalents at end of financial period (See Note A)	3,877	4,468

Note A

Cash and cash equivalents comprise fixed deposits and cash and bank balances net of bank overdrafts.

	Six months ended 30/09/2014 S\$'000	Six months ended 30/09/2013 S\$'000
Fixed deposits with banks	2,917	3,020
Cash and bank balances	960	1,448
	3,877	4,468

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
Balance at 1 April 2013	24,764	(232)	10	(2,969)	21,573	(149)	21,424
Loss for the financial period	-	-	-	(967)	(967)	(425)	(1,392)
Other comprehensive income	-	(64)	-	-	(64)	-	(64)
Total comprehensive income for the financial period	-	(64)	-	(967)	(1,031)	(425)	(1,456)
Balance at 30 September 2013	24,764	(296)	10	(3,936)	20,542	(574)	19,968
Balance at 1 April 2014	24,764	(258)	10	(6,055)	18,461	(1,253)	17,208
Loss for the financial period	-	-	-	(198)	(198)	(3)	(201)
Transfer from non-controlling interest to retained earnings	-	-	-	(1,256)	(1,256)	1,256	-
Other comprehensive income	-	8	-	-	8	-	8
Total comprehensive income for the financial period	-	8	-	(1,454)	(1,446)	1,253	(193)
Balance at 30 September 2014	24,764	(250)	10	(7,509)	17,015	-	17,015

The Company	Share capital S\$'000	Accumulated losses S\$'000	Share-based payment reserve S\$'000	Total S\$'000
Balance at 1 April 2013	24,764	(6,315)	10	18,459
Total comprehensive income for the financial period	-	(114)	-	(114)
Balance at 30 September 2013	24,764	(6,429)	10	18,345
Balance at 1 April 2014	24,764	(7,223)	10	17,551
Total comprehensive income for the financial period	-	(205)	-	(205)
Balance at 30 September 2014	24,764	(7,428)	10	17,346

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 30 September 2014 and 31 March 2014. There was no change in the Company’s share capital from 31 March 2014 up to 30 September 2014.

The Company did not have any outstanding convertible securities or treasury shares as at 30 September 2014 and 30 September 2013.

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 2014 and 31 March 2014 was 1,229,226,124 ordinary shares.

The Company did not have any treasury shares as at 30 September 2014 and 31 March 2014.

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 2014 (“FY2014”).

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 2014. 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	
	30/9/2014	30/09/2013 (Restated)
(Loss) from continuing operations attributable to owners of the parent (SGD' 000)	(195)	(514)
(Loss) from discontinued operations attributable to owners of the parent (SGD' 000)	(3)	(453)
<u>Continuing operations</u>		
(a) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.02)	(0.04)
(b) On a fully diluted basis (SGD cents)	(0.02)	(0.04)
<u>Discontinued operations</u>		
(c) Based on the weighted average number of ordinary shares in issue (SGD cents)	(0.00)	(0.04)
(d) On a fully diluted basis (SGD cents)	(0.00)	(0.04)

Loss per ordinary share for the half year ended 30 September 2014 (“1H2015”) and half year ended 30 September 2013 (“1H2014”) 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 for 1H2015 and 1H2014 in item 6(b) are the same as the basic loss per ordinary share 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 30/09/2014	As at 31/03/2014	As at 30/09/2014	As at 31/03/2014
Net asset value per ordinary share based on issued share capital (SGD cents)	1.38	1.40	1.41	1.43

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 2014 and 31 March 2014.

- 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 (1H2015 vs. 1H2014)

Revenue

The Group recorded an increase in revenue of 9.6% for 1H2015 which amounted to S\$3.95 million as compared to S\$3.61 million for 1H2014 due to the increased demand from the Group's European based customers.

Loss Before Income Tax

The Group's gross profit for 1H2015 was S\$0.37 million as compared to S\$0.31 million for 1H2014. The gross profit margin improved from 8.6% in 1H2014 to 9.4% in 1H2015. The improved profit margin in 1H2015 was the result of better products mix in spite of the higher employment costs.

Other income in 1H2015 was S\$0.32 million, an increase of S\$0.06 million from S\$0.26 million recorded in 1H2014. The increase was mainly contributed by the rental income which increased from S\$0.23 million in 1H2014 to S\$0.29 million in 1H2015.

Selling and distribution expenses increased by S\$0.01 million from S\$0.05 million in 1H2014 to S\$0.06 million in 1H2015 as sales increased.

The Group's administrative and operating expenses decreased from S\$0.94 million in 1H2014 to S\$0.78 million in 1H2015 mainly due to an amount of S\$0.02 million in exchange gain in 1H2015 as compared to an exchange loss of S\$0.11 million in 1H2014. The reduction of S\$0.03 million in staff cost also helped to reduce the Group's administrative and operating expenses.

The Group's depreciation charges was reduced from S\$0.31 million in 1H2014 to S\$0.29 million as some of the existing plant and equipment were fully depreciated during FY2014.

The Group's finance cost increased from S\$0.01 million in 1H2014 to S\$0.02 million as the Group increased the utilisation of banking facilities for purchase of plant and equipment toward the end of FY2014.

The Group recorded a loss of S\$0.04 million in its share of results of associate for 1H2015 as compared to a loss of S\$0.09 million in 1H2014.

The Group recorded a loss before income tax of S\$0.20 million in 1H2015 as a result of the above as compared to a loss before income tax of S\$0.51 million in 1H2014.

Statement of Financial Position

The Group's property, plant and equipment decreased from S\$2.80 million as at the end of FY2014 to S\$2.55 million as at the end of 1H2015 mainly due to depreciation charges of S\$0.29 million, partly offset by an addition of S\$0.01 million of office equipment. The value of the Group's investment property remained at S\$8.00 million as at the end of FY2014 and 1H2015.

Inventories increased slightly from S\$1.94 million as at the end of FY2014 to S\$1.95 million as at the end of 1H2015. Trade and other receivables increased from S\$1.68 million as at the end of FY2014 to S\$2.14 million as at the end of 1H2015 due to higher revenue recorded towards the end of 1H2015. Trade and other payables reduced from S\$1.33 million as at the end of FY2014 to S\$1.26 million as at the end of 1H2015 due to lower purchases towards the end of 1H2015.

The Group's working capital was S\$6.01 million as at the end of 1H2015 as compared to S\$5.93 million as at the end of FY2014.

Cash Flow and Working Capital

Cash and cash equivalents decreased from S\$4.36 million as at the end of FY2014 to S\$3.88 million as at the end of 1H2015.

Net cash used in operating activities in 1H2015 amounted to S\$0.43 million. During 1H2015, an amount of S\$0.56 million for working changes was recorded mainly due to the cash outflow for the reduction of S\$0.13 million in trade and other payables and an increase in trade and other receivables of S\$0.43 million. The Group has an operating cash inflow of S\$0.14 million before working capital changes.

Net cash used in investing activities which amounted to S\$0.01 million during 1H2015 was mainly for the purchase of office equipment for the Group.

For the financing activities, a net amount of S\$0.05 million was utilized for the repayment of trust receipts and new bank borrowings.

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 1H2015 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 Group will continue to focus on improving efficiencies to counter the adverse effects on its profit margin from increased business competition and rising operating overheads.

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 2014.

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 2014 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 1H2015.

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 ⁽¹⁾	Nil Nil
Total	1.49	0.48	1.01

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.

BY ORDER OF THE BOARD

Choo Tung Kheng
Managing Director
13 November 2014