

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

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE CESSATION OF THE OPERATIONS OF THE PRINTED CIRCUIT BOARDS SEGMENT (THE “PCB SEGMENT”)**

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The Board of directors (the “**Board**”) of CPH Ltd. (“**CPH**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and wishes to provide further information in relation to the cessation of the PCB Segment as announced by the Company on 14 November 2019 as follows:-

***SGX-ST’s Question:***

In the segmental reporting for the financial year ended 31 March 2019 annual report, PCB is the only segment that turns in external revenues. Will the cessation of the PCB Segment render CPH a cash company? Should the company continue trading pursuant to Catalist Rule 1017?

***Company’s Response:***

The Board is of the view that the cessation of the PCB Segment would not render CPH a cash company based on the following:-

**(i) The Company will still be receiving rental income**

The Company currently derives rental income from its investment property, being a factory building at No. 8 First Lok Yang Road, Singapore 629731 (the “**Rental Income**”). Based on the audited financial results of the Group for the financial year ended 31 March 2019 (“**FY2019**”) and the Group’s unaudited financial results for the period ending 30 September 2019 (“**HY2020**”), the Rental Income derived were S\$380,096 and S\$206,000 respectively. There are currently 4 tenancy agreements and these tenancy agreements (if not renewed) will only expire between 14 March 2020 to 31 August 2021.

As such, the Rental Income provides recurring revenue and operational cashflows for the time being while the Group is in search of a new viable and sustainable core business, further details of which, are set out below.

The Rental Income was not included as part of External Revenues in the Company’s FY2019 annual report as Rental Income was recorded as Other Income, and not as Revenue.

**(ii) The Company does not fall under the definition of a cash company as set out under Catalist Rule 1017(1)**

We also note that based on the Group’s latest announced consolidated half-year financial results for HY2020 as announced on 14 November 2019, the Group’s cash and bank balances of S\$0.6 million only constitutes approximately 5.6% of the Group’s total assets (excluding assets of the disposal group classified as held for sale). The Group’s total assets of S\$10.7

million (excluding assets of the disposal group classified as held for sale) mainly comprise of an investment property with a book value of S\$8.0 million as at 30 September 2019, which is generating the Rental Income. The Group has no intention of disposing this investment property within the next 12 months.

In view that the assets of the Company does not wholly or substantially consist of cash and that there are no short-dated securities held as assets of the Company as of 30 September 2019 and as of to-date, the Company does not fall under the definition of a cash company as set out under Catalist Rule 1017(1). Further, the income generating asset of the Group comprise 74.8% of the Group's total assets (excluding assets of the disposal group classified as held for sale).

Accordingly, Catalist Rule 1017(1) would not apply to the Company and trading of the Company's shares need not be suspended.

The Company also wishes to provide the following updates:

(i) Disposal of the PCB Assets

Pursuant to the cessation of operations in the PCB Segment, the Group intends to realise the assets held under the PCB Segment ("**PCB Assets**") within the next 6 to 12 months. The Group is currently in discussions with potential buyers for the PCB Assets. The PCB Assets comprise mainly of leasehold property, plant and machinery, office equipment, furniture and fittings which have a net book value of approximately S\$0.6 million as at 30 September 2019. The proceeds from the realisation of the PCB Assets will be used for, amongst others, working capital purposes.

(ii) The Group's plans to search for a viable and sustainable core business

The Group has been continuously exploring various business opportunities in a bid to diversify from its loss-making PCB business, which is facing increasing operational and financial challenges in the past few years. With the termination of the conditional sale and purchase agreement with Delphinium Capital PLC (the "**Vendor**") and oCap Management Pte. Ltd. (the "**Target Company**") in respect of the proposed acquisition by the Company of 100% of the issued share capital of the Target Company from the Vendor on 30 May 2019, the Group restarted its search for another viable and sustainable core business to generate recurring revenue and operational cashflows.

The Group is currently in discussions with several parties to jointly invest in a new business or to acquire new assets which may constitute a reverse take-over under Chapter 10 of the Catalist Rules, which will generate recurring revenue and operational cash flows for the Group. Discussions are still in preliminary stages and no terms sheets and/or definitive agreements have been entered into at this point in time. The Group endeavours to enter into a definitive agreement for a new viable business as soon as practicable.

The Company is in the midst of consulting with the SGX-ST through the Company's sponsor on whether it will be deemed to be a cash company pursuant to Catalist Rule 1017(1) upon cessation of the PCB Segment at the end of November 2019.

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

**BY ORDER OF THE BOARD**

Ong Kian Soon  
Company Secretary

19 November 2019

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*This announcement has been prepared by CPH Ltd. (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the information or opinions made, or reports contained in this announcement.*

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