

## CPH LTD.

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

### PROPOSED DISPOSAL OF THE MALAYSIAN FACTORY

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The board of directors (the “**Board**”) of CPH Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary company Circuits Plus (M) Sdn. Bhd. (“**CPM**” or the “**Vendor**”) has executed a sale and purchase agreement (the “**SPA**”) on 6 August 2020 with a third party, Brightwater Sunrise Sdn. Bhd, a company incorporated in Malaysia (the “**Purchaser**”), for the proposed disposal of a property located at PLO 146 No 22 Jalan Angkasa Mas Utama, Kawasan Perindustrian Tebrau 2, 81100 Johor Bahru, Johor (the “**Property**”) (the “**Proposed Disposal**”). The Property comprises land and the factory built thereon and is leased to CPM by the Johor Corporation, the registered and beneficial owner of the Property, who had on 27 July 2020 approved the sale and transfer of the lease to the Purchaser (the “**Approval**”). Notwithstanding the Approval and for the avoidance of doubt, no definitive sale and purchase agreement had been signed in respect of the Proposed Disposal prior to 6 August 2020 for the reason as disclosed in the Previous Announcements (as defined below). Save as disclosed, all exchange rate conversion is based on the exchange rate of RM1.00 : S\$0.3264 as at the date of this announcement.

The Group was operating its printed circuit boards business at the location of the Property and when the operations ceased in November 2019, the Group has the intention to dispose all assets including the said Property as mentioned and updated in the Company’s last two monthly update announcements pursuant to Rule 1017 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) made on 18 June 2020 and 17 July 2020 (“**Previous Announcements**”).

The purchase price for the Proposed Disposal is RM2,000,000 (equivalent to approximately S\$652,800) (the “**Consideration**”) and is derived on a “willing buyer, willing seller” basis, after considering the book value of the Property of approximately S\$242,576 as at 31 March 2020. The offer was also the best offer received by CPM to-date. As announced on 18 June 2020 and 17 July 2020, the Purchaser has already made a deposit to CPM (the “**Earnest Deposit**”). The Earnest Deposit amounts to RM40,000 (equivalent to approximately S\$13,056) which is 2% of the Consideration. Upon execution of the SPA, the Purchaser has made a further payment of RM160,000 (equivalent to approximately S\$52,224) which is 8% of the Consideration (the “**Deposit**”) to CPM. The balance amount of RM1,800,000 (equivalent to approximately S\$587,520) (“**Balance Consideration**”) shall be payable within three months from the date of the SPA (being 5 November 2020).

The completion of the Proposed Disposal shall take place upon the receipt of the Balance Consideration by the Vendor’s solicitors in accordance with terms and conditions of the SPA (the “**Completion Date**”). In the event that the Purchaser failed to pay the Balance Consideration in full by the Completion Date, the Vendor shall grant an extension of one month, provided that the Purchaser shall pay to the Vendor interest at 6% per annum calculated on a daily basis from the Completion Date till the date full payment of the Balance Consideration is made (the “**Extended Completion Date**”).

Pursuant to the SPA, the completion of the Proposed Disposal is conditional upon:-

- (i) all warranties, representations and undertakings thereunder by the Vendor and the Purchaser being complied with, and being true, accurate and correct in all respects as at the Completion Date; and
- (ii) all approvals, consents and licences (whether governmental, corporate or otherwise) for the Proposed Disposal described or contemplated therein having been obtained; and
- (iii) vacant possession of the Property on an “as-is-where-is” basis being delivered by the Vendor to the Purchaser on a date to be mutually agreed by the parties.

Based on the carrying amount of the Property of approximately S\$242,576 in the Company’s unaudited consolidated financial statements for the financial year ended 31 March 2020, the Proposed Disposal is expected to result in a gain on disposal of approximately S\$410,224.

#### *RATIONALE AND USE OF PROCEEDS*

The Group had ceased operations of its printed circuit boards business (the “**PCB Segment**”) in November 2019 and its intention is to dispose of all assets of the PCB Segment, which includes the said Property. The Proposed Disposal is transacted at a gain on disposal of S\$410,224 and accordingly, the Board believes that it is in the best interest of the Group to effect the Proposed Disposal. The Group expects to utilise all of the proceeds of the Proposed Disposal for general working capital, which may include the repayment of existing borrowings.

*RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES*

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Disposal and based on the latest unaudited consolidated financial statements of the Company for the financial year ended 31 March 2020 ("FY2020") are as follows:

<b>Listing Rule</b>	<b>Bases of Computation</b>	<b>Relative Figures</b>
1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	3.25% <sup>(1)</sup>
1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable <sup>(2)</sup>
1006(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	10.62% <sup>(3)</sup>
1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(4)</sup>
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable <sup>(5)</sup>

1 The carrying value of the Property as at 31 March 2020 was S\$242,576 and the net asset value of the Group was S\$7,465,994 as at 31 March 2020.

2 The basis is not applicable as the asset is a lessee-occupied factory and does not generate any revenue.

3 Based on the Consideration of S\$652,800 and the Company's market capitalisation of approximately S\$6,146,131, being the issued ordinary share capital of the Company of 1,229,226,124 shares ("**Shares**") at the volume weighted average price of the Shares of S\$0.005 on 5 August 2020, which is the market day preceding the date of the SPA.

4 This basis is not applicable as it is not an acquisition.

5 This basis is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure under Rule 1006(c) exceeds 5% but does not exceed 50%, the Proposed Disposal constitutes a discloseable transaction within the meaning of Chapter 10 of the Catalist Rules.

*FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL*

The financial effects of the Proposed Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the completion of the Proposed Disposal.

The following financial effects of the Proposed Disposal are computed based on the latest unaudited consolidated financial statements of the Group for FY2020 and on the following bases and assumptions:

(a) For the purposes of illustrating the financial effects of the Proposed Disposal on the loss per share of the Group, it is assumed that the transaction took place on 1 April 2019; and

(b) For the purposes of illustrating the financial effect on the net tangible assets (NTA) per Share of the Group, it is assumed that transaction took place on 31 March 2020.

**Loss per Share**

	<b>Before Disposal</b>	<b>After Disposal</b>
Loss after tax (S\$'000)	(2,726)	(2,316)
Weighted average number of shares	1,229,226,124	1,229,226,124
Loss per share (cents)	(0.22)	(0.19)

**NTA per Share**

	<b>Before Disposal</b>	<b>After Disposal</b>
NTA (S\$'000)	7,466	7,876
Total number of issued shares	1,229,226,124	1,229,226,124
NTA per share	0.61	0.64

*INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS*

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company, if any).

*SERVICE CONTRACTS*

No person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Proposed Disposal.

*DOCUMENT FOR INSPECTION*

A copy of the SPA is available for inspection at the registered office of the Company at 8 First Lok Yang Road, Singapore 629731 for a period of three months from the date of this announcement.

**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 Proposed Disposal will be completed. 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  
Company Secretary

6 August 2020

*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 statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg))*