

**CPH LTD.**

(Co. Reg. No. 199804583E)

(Incorporated in the Republic of Singapore)

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**EMPHASIS OF MATTER IN AUDITOR'S REPORT ON THE GROUP'S FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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In accordance with Rule 704(4) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist, the Board of Directors (the "Board") of CPH Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to announce that there is an emphasis of matter as reported by the auditors of the Company, BDO LLP, in respect of the decline in the fair value of an investment property held by the Group in the financial statements of the Group for the year ended 31 March 2020 ("FY2020").

In the Auditor's Report dated 31 August 2020 ("Independent Auditor's Report") on the audited financial statements of the Group for FY2020 ("FY2020 Audited Financial Statements"), the auditors have included the following:-

"Emphasis of Matter

We draw attention to Note 31 to the financial statements, which highlights the decline in the fair value of the investment property held by the Group as at 31 March 2020 due to the on-going Covid-19 pandemic. Our opinion is not modified in respect of this matter."

An extract of Note 31 that is pertinent to this emphasis of matter is appended below:-

"Fair value of investment property

The Group recorded its investment property using the fair value model. As at 31 March 2020, the fair value of the leasehold property included in investment property was \$7,700,000 as disclosed in Note 8 to the financial statements using the sales comparison approach. Following the emanation of COVID-19 especially in the months of April and May 2020, the adverse impact on the real-estate sector may not have fully emerged in the last quarter of the financial year ended 31 March 2020 which may cause fluctuation to the fair value of its leasehold property. Based on the most recent independent valuation performed, the fair value had declined from \$7,700,000 as at 31 March 2020 to \$7,000,000 as at 31 July 2020. The fair value decrease of \$700,000 could affect the half-year results of the Group for the financial period ending 30 September 2020."

Shareholders are advised to read the FY2020 Audited Financial Statements and the Independent Auditors' Report which will be released on SGXNET in due course as part of the Company's Annual Report for FY2020.

BY ORDER OF THE BOARD

Ong Kian Soon

Company Secretary

31 August 2020

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*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.*

*The contact person for the Sponsor is Jennifer Tan, Associate Director, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*