

CPH LTD.

(Co. Reg. No. 199804583E)

(Incorporated in the Republic of Singapore)

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- (I) **UPDATE ON THE APPLICATION TO THE SIC FOR THE WHITEWASH WAIVER IN RELATION TO THE CONDITIONAL SALE AND PURCHASE AGREEMENT IN RESPECT OF THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF SHANAYA ENVIRONMENTAL SERVICES PTE. LTD.; AND**
 - (II) **APPLICATION TO THE SGX-ST FOR AN EXTENSION OF TIME TO MEET THE REQUIREMENTS FOR A NEW LISTING UNDER RULE 1017 OF THE CATALIST RULES**
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*Unless otherwise expressly defined herein, all capitalised terms and references have the same meaning as ascribed to them in the announcements made by the Company on 2 April 2020, 29 September 2020 and 18 November 2020 (the “**Previous Announcements**”).*

1. UPDATE ON THE APPLICATION TO THE SIC FOR THE WHITEWASH WAIVER

As announced by the Company on 18 November 2020, the SIC had granted the Whitewash Waiver subject to certain conditions which, *inter alia*, include that the approval of the Whitewash Resolution must be obtained within three (3) months from 17 November 2020 (i.e. by 17 February 2021), and the subscription of the Consideration Shares by the Vendors must be completed within three (3) months of approval of the Whitewash Resolution.

As at the date of this announcement, the Vendors and the Company do not expect that the aforementioned condition can be fulfilled by the stipulated deadlines. Consequently, an application has been made to the SIC to seek an extension of time of four (4) months (i.e. by 17 June 2021) to satisfy the condition of holding a general meeting to obtain shareholders’ approval for, *inter alia*, the Proposed Acquisition and Whitewash Resolution, so as to allow the Company to complete the Proposed Acquisition by an extended deadline (“**SIC Application**”).

The extension of time was sought for the following reasons:-

- (i) the Vendors and the Company had on 29 September 2020 entered into the SPA, being the binding definitive agreement in respect of the Proposed Acquisition. There is, (a) in relation to the Whitewash Waiver, less than 5 months between 29 September 2020 and the corresponding deadline of 17 February 2021, and (b) in relation to the cash company requirements under Catalist Rule 1017, only approximately 6 months between 29 September 2020 and the corresponding deadline of 1 April 2021, for the Vendors and the Company to meet all the necessary conditions precedent as set out in the SPA in order for the Proposed Acquisition to be completed. These conditions precedent comprise the satisfactory completion of the relevant pre-listing due diligence on the Target Company (including the audit of historical financials), the approval-in-principle of the SGX-ST having been granted for the Proposed Acquisition, and the approval of Shareholders having been obtained for the Proposed Acquisition in an extraordinary general meeting to be convened. The due diligence exercise in relation to the Proposed Acquisition had commenced upon the signing of the SPA. Based on observed market precedents, the typical timeframe for reverse takeover transactions typically span more than 6 months from the time when the sale and purchase agreements were signed to completion. Accordingly, the time extension sought would provide a more practicable timeframe for the parties to execute and complete the Proposed Acquisition;
- (ii) the Vendors and the Company have appointed the key professionals in connection to the Proposed Acquisition (“**Appointed Professionals**”), and due diligence by the

Appointed Professionals on the Target Company is presently in progress despite delays brought about by the gradual resumption of normal business dealings under Phases 2 and 3 of the Covid-19 re-opening. The time extension sought will allow the Appointed Professionals more time to complete their on-going necessary due diligence work;

- (iii) upon completion of the Proposed Acquisition, the Company will cease to be a cash company (as defined in the Catalist Rules) and would be able to continue to remain listed on the Official List of the SGX-ST, instead of facing the possibility of being delisted. Accordingly, Shareholders can look forward to participating in the waste management industry through the acquisition of an operating business with a profitable track record and good growth potential, thereby allowing the Group to achieve a consistent and sustainable operational and financial growth; and
- (iv) the Proposed Acquisition would enable the Company to enhance shareholder value by generating renewed investor interest in the shares and ultimately, create the potential to significantly increase the value of the Company with a wider investor base. Accordingly, the Board is of the view that the Proposed Acquisition is likely to enhance the long-term interests of the Company and its Shareholders.

2. APPLICATION TO THE SGX-ST FOR AN EXTENSION OF TIME TO MEET THE REQUIREMENTS FOR A NEW LISTING UNDER RULE 1017 OF THE CATALIST RULES

As announced by the Company on 2 April 2020, the Company was deemed a cash company (as defined under Catalist Rule 1017) with effect from 2 April 2020.

Pursuant to Catalist Rule 1017(2), the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company.

Catalist Rule 1017(2) also provides that the issuer may (through its sponsor) apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the issuer providing information to investors on its progress in meeting key milestones in the transaction.

In compliance with Catalist Rule 1017(1)(b), the Company has been providing monthly valuations of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via the SGXNET since the time it became a cash company. In this regard, the relevant announcements were made by the Company on 15 May 2020, 18 June 2020, 17 July 2020, 14 August 2020, 15 September 2020, 15 October 2020, 16 November 2020, 15 December 2020 and 15 January 2021.

In connection with the above, the Company has, on the date of this announcement, submitted an application to the SGX-ST for an extension of time under Catalist Rule 1017(2) of six (6) months from 1 April 2021 (being the original deadline for the Company to meet the requirements for a new listing) until 30 September 2021 to allow the Company to complete the Proposed Acquisition and meet the requirements for a new listing. The application has been made pursuant to the reasons as listed in section 1 above and, additionally, on the basis that, subject to the satisfactory completion of due diligence by the Appointed Professionals, the Board believes that the Target Company can satisfy the SGX-ST's requirements for a new listing on the Catalist.

3. FURTHER ANNOUNCEMENTS

The Company will make subsequent announcements to update Shareholders when there are material updates as may be necessary or appropriate.

4. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their shares as there is no certainty or assurance as at the date of this announcement that Proposed Acquisition will be completed. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition. Shareholders are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Ong Kian Soon
Company Secretary

16 February 2021

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.

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