

AMENDMENTS TO THE ANNOUNCEMENT DATED 12 MARCH 2020 ON THE PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT NO. 23 TUAS SOUTH STREET 1, SINGAPORE 638033 (“PROPOSED SALE”)

GRANT OF WAIVER FROM COMPLIANCE WITH SHAREHOLDERS’ APPROVAL FOR THE PROPOSED SALE PURSUANT TO RULE 1014(2) OF THE LISTING MANUAL

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Cheung Woh Technologies Ltd (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) refers to the Company’s announcement dated 12 March 2020 (the “**OTP Announcement**”) on the grant and exercise of the option to purchase in relation to the proposed sale by the Company to Yi Hui Metals Pte Ltd (the “**Purchaser**”) of the Company’s property located at 23 Tuas South Street 1, Singapore 638033 (the “**Property**”) (the “**Proposed Sale**”).
- 1.2 Unless otherwise defined, all capitalised terms used in this announcement (the “**Announcement**”) shall have the same meaning as defined in the OTP Announcement.

2. AMENDMENTS TO THE TABLE IN PARAGRAPH 8 - RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

- 2.1 There were errors in the relative figures for and classification of the Proposed Sale set out in paragraph 8 of the OTP Announcement (in the sections highlighted in bold below). Accordingly, the Board wishes to announce that the table and footnote on the relative figures under Rule 1006 and Rule 1004 of the Listing Manual (referred to in paragraph 8 of the OTP Announcement) should be amended and replaced in its entirety as follows:

Relative figures under Rule 1006 and Rule 1004 of the Listing Manual

The relative figures for the Proposed Sale computed using applicable bases under Rule 1006(a) to (e) of the Listing Manual of the SGX-ST are as follows:

Rule 1006 of the Listing Manual	Bases	Relative Figures
1006(a)	The net asset value of assets disposed of, compared with the Group’s net asset value.	3.5% ⁽¹⁾
1006(b)	Net profits attributable to the assets acquired or disposed of compared with the Group’s net profits.	-68.5% ⁽²⁾

1006(c)	The aggregate value of consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	16.8% ⁽³⁾
1006(d)	The 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 as the Proposed Sale is not an acquisition.
1006(e)	The 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 as the Company is not a mineral, oil or gas company.

Note:

- (1) Based on the net asset value of the Group of S\$79,139,000 and the net asset value of the Property of S\$2,744,000 as at 30 November 2019.
- (2) **Based on the net profits of S\$161,644 attributable to the Property and the loss before taxation of the Group of S\$236,000 for the three quarters ended 30 November 2019.**
- (3) Based on the Sale Consideration of S\$6,000,000 and the market capitalisation of the Company of approximately S\$35,725,000. The market capitalisation of the Company was computed based on the issued share capital of the Company, excluding treasury shares, of 297,705,000 and the weighted average price of S\$0.120 per share on 10 March 2020 (being the last day on which the shares were traded prior to the date of exercise of the Option).

As the relative figure set out under Rule 1006(b) is a negative figure with an absolute value exceeding 10%, the Proposed Sale constitutes a major transaction as defined under Chapter 10 of the Listing Manual of the SGX-ST and is subject to the approval of the shareholders of the Company.

The Proposed Sale is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ended 28 February 2020.

- 2.2 Save as set out in this Announcement, there are no other changes to the information set out in the OTP Announcement.

3. APPROVAL OF THE WAIVER

- 3.1 The Company has submitted an application to the SGX-ST to seek waiver from complying with the requirement under Rule 1014(2) of the Listing Manual (which required the Company to obtain shareholders' approval for the Proposed Sale) (the "**Waiver**").
- 3.2 The Board wishes to announce that the Company has on 11 May 2020 received notice from SGX-ST that the SGX-ST has no objection to granting the Waiver, subject to the following (the "**Waiver Conditions**"):-

- (a) The Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver Conditions have been satisfied; and
- (b) If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

3.3 This announcement is for compliance with the Waiver Conditions.

3.4 In addition, the Company is required to make an immediate disclosure via SGXNet if it is or will be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

4. REASONS FOR WAIVER APPLICATION

The reasons for the Company seeking the Waiver from the SGX-ST are set out below:-

- (a) The Proposed Sale had been foreshadowed at the previous two annual general meetings (“**AGM**”) of the Company (i.e. AGM for FY2019 and FY2018). During both AGMs, shareholders brought up questions as to whether the Company had any intention to sell the Property and the Board had responded that the Company would sell the Property as long as the price is right.
- (b) The Property is currently underutilised as:
 - (i) Pursuant to the guidelines issued by JTC Corporation, only 30% of the Property’s gross floor area (“**GFA**”) may be tenanted;
 - (ii) The Property was only tenanted up until September 2019 and had not been generating any rental income since then; and
 - (iii) Part of the remaining 70% of the Property’s GFA is used as the head office of the Group and for meetings. The Property is grossly underutilised on a daily basis. The Group can look for a more suitable space for its use as an office.
- (c) The Property is not a core asset of the Group as it is being underutilised as the head office of the Group (for the reasons set out above) and is therefore:
 - (i) Not critical to the Group’s principal business activity;
 - (ii) Ancillary to the Group’s principal business activity; and
 - (iii) Not an existing principal business of the Group.
- (d) The Proposed Sale did not and will not result in a material change in the risk profile of the Group. Based on the latest audited financial statements of the Group as at 28 February 2019, and assuming that the Proposed Sale had been completed at the end of that financial year:
 - (i) The Proposed Sale will not result in a worsening of the Group’s net losses by 20% or more;

- (ii) The Proposed Sale will not result in a reduction of the Group's net asset value by 20% or more; and
 - (iii) The Proposed Sale will not have any adverse impact on the Group's gearing.
- (e) The Proposed Sale is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ended 28 February 2020.

5. NO EXTRAORDINARY GENERAL MEETING

As the SGX-ST has granted the Waiver, the Company will not be required to convene a general meeting in relation to the Proposed Sale.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) in relation to the Proposed Sale as and when there are any material developments on the same.

By Order of the Board

Law Yu Chui
Director

12 May 2020