



Financial Statements And Related Announcement  
For Third Quarter Financial Period Ended 30 November 2019

## **CHEUNG WO H TECHNOLOGIES LTD**

Co. Reg. No. 197201205Z

Third Quarter Financial Statements And Related Announcement

### **PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

The Directors of Cheung Woh Technologies Ltd advise the following unaudited results of the Group for the period ended 30 November 2019.

**1(a) A consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Statement of Comprehensive Income**

		<b>GROUP</b>		Increase/ (decrease)	<b>GROUP</b>		Increase/ (decrease)
	Notes	3QFY20 S\$'000	3QFY19 S\$'000	%	3QYTFY20 S\$'000	3QYTFY19 S\$'000	%
Turnover		13,967	21,329	(34.5)	39,231	65,732	(40.3)
Cost of sales		(12,986)	(18,558)	(30.0)	(35,537)	(56,704)	(37.3)
Gross profit		981	2,771	(64.6)	3,694	9,028	(59.1)
Other operating income	a	658	788	(16.5)	2,304	2,888	(20.2)
Distribution and selling expenses		(409)	(637)	(35.8)	(1,191)	(2,233)	(46.7)
General and administrative expenses		(1,166)	(2,380)	(51.0)	(4,853)	(7,183)	(32.4)
Finance costs		(43)	(67)	(35.8)	(190)	(300)	(36.7)
(Loss)/ profit before taxation	b	21	475	(95.6)	(236)	2,200	n.m.
Income tax expense		(118)	(104)	13.5	(337)	(341)	(1.2)
(Loss)/ profit for the financial period		(97)	371	n.m.	(573)	1,859	n.m.
Other comprehensive income:							
Foreign currency translation loss		(570)	(678)		(632)	(977)	
Total comprehensive income for the financial period		(667)	(307)		(1,205)	882	
(Loss)/ profit attributable to:							
Equity owners of the Company		(97)	371		(573)	1,859	
Total comprehensive income attributable to:							
Equity owners of the Company		(667)	(307)		(1,205)	882	
Earnings per share (cents)							
Basic and diluted		(0.03)	0.12		(0.19)	0.62	

n.m. - not meaningful

**1(a) A consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

<u>Notes</u>	GROUP		GROUP	
	3QFY20 S\$'000	3QFY19 S\$'000	3QYTD FY20 S\$'000	3QYTD FY19 S\$'000
a The Group's other operating income included the following:				
Sales of scrap metal	421	686	1,206	2,520
Sundry income	32	11	44	145
Rental income	89	80	282	191
Interest income	89	11	231	28
Bad debt recovered	-	-	-	4
Income from insurance claim	-	-	514	-
Gain on disposal of property, plant and equipment	27	-	27	-
b The Group's profit before taxation is arrived at after charging/(crediting):				
Amortisation and depreciation	1,783	2,351	5,495	7,305
Foreign exchange (gain)/loss				
- Realised exchange (gain)/loss	15	30	(131)	(172)
- Unrealised exchange (gain)/loss	(200)	465	674	1,647
	(185)	495	543	1,475
Interest expense	43	67	190	300
(Write-back)/allowance for inventories obsolescence	(9)	6	(19)	11

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	GROUP		COMPANY	
	30.11.2019	28.2.2019	30.11.2019	28.2.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment *	46,005	51,625	2,602	1,564
Investment properties	2,411	2,460	2,411	2,460
Investments in subsidiary companies	-	-	34,716	34,716
Long-term loan to a subsidiary **	-	-	11,052	-
Deferred tax assets	273	273	272	272
	<u>48,689</u>	<u>54,358</u>	<u>51,053</u>	<u>39,012</u>
<b>Current assets</b>				
Inventories	5,364	10,771	-	-
Trade receivables	12,465	10,179	-	-
Other receivables	1,713	1,774	1,153	16,758
Other current assets	706	785	71	80
Cash and bank balances	24,686	20,701	5,920	1,732
	<u>44,934</u>	<u>44,210</u>	<u>7,144</u>	<u>18,570</u>
<b>Total assets</b>	<u>93,623</u>	<u>98,568</u>	<u>58,197</u>	<u>57,582</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	3,025	3,688	16	29
Other payables	4,179	4,016	609	602
Lease liabilities ***	6	-	6	-
Interest-bearing loans and borrowings	1,930	5,161	-	-
Income tax payable	14	181	-	-
	<u>9,154</u>	<u>13,046</u>	<u>631</u>	<u>631</u>
<b>Net current assets</b>	<u>35,780</u>	<u>31,164</u>	<u>6,513</u>	<u>17,939</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	64	456	-	-
Lease liabilities ***	1,098	-	1,098	-
Deferred tax liabilities	4,168	4,182	-	-
	<u>5,330</u>	<u>4,638</u>	<u>1,098</u>	<u>-</u>
<b>Total liabilities</b>	<u>14,484</u>	<u>17,684</u>	<u>1,729</u>	<u>631</u>
<b>Net assets</b>	<u>79,139</u>	<u>80,884</u>	<u>56,468</u>	<u>56,951</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	50,200	50,200	50,200	50,200
Treasury shares	(2,463)	(1,923)	(2,463)	(1,923)
Revenue reserve	36,854	37,427	8,731	8,674
Statutory reserve	1,219	1,219	-	-
Foreign currency translation reserve	(6,671)	(6,039)	-	-
<b>Total equity</b>	<u>79,139</u>	<u>80,884</u>	<u>56,468</u>	<u>56,951</u>
<b>Total equity and liabilities</b>	<u>93,623</u>	<u>98,568</u>	<u>58,197</u>	<u>57,582</u>

\*Included right-of-use assets recognised upon adoption of SFRS(I) 16 Leases on 1 March 2019 based on the modified retrospective approach.

\*\*The Long-term loan to a subsidiary is non-trade in nature, unsecured, non-interest bearing and settlement is neither planned nor likely to occur in the foreseeable future. It is, in substance, part of the Company's net investment in the subsidiary and it is stated at cost.

\*\*\*Lease liabilities recognised upon adoption of SFRS(I) 16 Leases on 1 March 2019 based on the modified retrospective approach.

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities**

A) Amount repayable in one year or less, or on demand #

As at 30.11.2019		As at 28.02.2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,930	-	5,161	-

# The amount of \$1,930,000 (28.02.2019: \$5,161,000) includes \$709,000 (28.02.2019: \$1,230,000) repayable after one year based on the scheduled repayment dates in the loan agreements. The amount is classified as repayable in one year or less, or on demand in compliance with accounting standard.

B) Amount repayable after one year

As at 30.11.2019		As at 28.02.2019	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
64	-	456	-

C) Details of any collateral

The bank borrowings of certain subsidiary companies are secured by legal mortgage over the subsidiary companies' properties and corporate guarantee from the Company.

(c) **A consolidated statement of cash flows, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	GROUP		GROUP	
	3QFY20 S\$'000	3QFY19 S\$'000	3QYTD FY20 S\$'000	3QYTD FY19 S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit before taxation	21	475	(236)	2,200
Adjustments for:				
Amortisation and depreciation	1,783	2,351	5,495	7,305
(Gain)/loss on disposal of property, plant and equipment	(27)	1	(27)	-
Unrealised exchange (gain)/loss	(27)	38	(27)	(170)
Interest expense	43	67	190	300
(Write-back)/allowance for inventories obsolescence	(9)	6	(19)	11
Bad debts recovered		-		(4)
Interest income	(89)	(11)	(231)	(28)
<b>Operating cash flows before changes in working capital</b>	<b>1,695</b>	<b>2,927</b>	<b>5,145</b>	<b>9,614</b>
(Increase)/decrease in:				
Inventories	3,545	3,763	5,369	4,518
Trade receivables	(1,432)	2,125	(2,357)	3,270
Amount due from an associate company		-		-
Other receivables and prepayments	(339)	293	373	2,358
(Decrease)/increase in:				
Trade payables	(56)	(2,735)	(574)	(6,576)
Other payables	587	(210)	591	(1,825)
<b>Cash flow generated from operations</b>	<b>4,000</b>	<b>6,163</b>	<b>8,547</b>	<b>11,359</b>
Interest received	89	11	231	28
Bank loan interest paid	(24)	(67)	(132)	(300)
Income tax paid	(316)	(25)	(479)	(101)
<b>Net cash flow generated from operating activities</b>	<b>3,749</b>	<b>6,082</b>	<b>8,167</b>	<b>10,986</b>

**1(c) A consolidated statement of cash flow, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	GROUP		GROUP	
	3QFY20 S\$'000	3QFY19 S\$'000	3QYTFY20 S\$'000	3QYTFY19 S\$'000
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(11)	(584)	(121)	(814)
Proceeds from disposal of property, plant and equipment	40	-	40	23
Advance payment to suppliers of property, plant and equipment	-	(51)	-	(580)
Increase in pledged deposits	-	-	(5)	(4)
Proceeds from disposal of investment in associate companies	-	-	-	8,370
<b>Net cash flow generated from/(used in) investing activities</b>	<b>29</b>	<b>(635)</b>	<b>(86)</b>	<b>6,995</b>
<b>Cash flow from financing activities</b>				
Repayment of interest-bearing loans and borrowings	(2,626)	(3,164)	(9,650)	(22,004)
Dividends paid on ordinary shares	-	(453)	-	(453)
Proceeds from interest-bearing loans and borrowings	1,990	2,504	6,018	8,951
Repayment of lease liabilities	(21)	-	(63)	-
Purchases of treasury shares	(355)	-	(540)	-
<b>Net cash flow used in financing activities</b>	<b>(1,012)</b>	<b>(1,113)</b>	<b>(4,235)</b>	<b>(13,506)</b>
Net increase in cash and cash equivalents	2,766	4,334	3,846	4,475
Cash and cash equivalents at beginning of financial period	21,954	9,203	20,552	9,041
Effect of exchange rate changes on cash and cash equivalents	(182)	129	140	150
<b>Cash and cash equivalents at end of financial period</b>	<b>24,538</b>	<b>13,666</b>	<b>24,538</b>	<b>13,666</b>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	GROUP	
	30.11.2019 S\$'000	30.11.2018 S\$'000
Cash and bank balances	24,538	13,666
Fixed deposits	148	144
	<u>24,686</u>	<u>13,810</u>
Less:		
Cash and cash equivalents subject to restriction *	(148)	(144)
<b>Cash and cash equivalents at end of financial period</b>	<b>24,538</b>	<b>13,666</b>

\* This relates to fixed deposits pledged for banker's facilities granted to a subsidiary company.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Attributable to equity owners of the Company						
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserve S\$'000	Statutory reserve S\$'000	Foreign currency translation reserve S\$'000	Total other reserves S\$'000	Total equity attributable to equity owners of the Company S\$'000
<b>GROUP</b>							
<b>Balance as at 28.02.2019</b>	50,200	(1,923)	37,427	1,219	(6,039)	(4,191)	80,884
Total comprehensive loss for the financial period	-	-	(573)	-	(632)	(632)	(1,205)
Purchases of treasury shares	-	(540)	-	-	-	-	(540)
<b>Balance as at 30.11.2019</b>	50,200	(2,463)	36,854	1,219	(6,671)	(4,823)	79,139
<b>Balance as at 28.02.2018</b>	50,200	(1,923)	46,827	1,219	(5,410)	(4,191)	90,913
Total comprehensive income for the financial period	-	-	1,859	-	(977)	(977)	882
Dividends paid on ordinary shares	-	-	(453)	-	-	-	(453)
<b>Balance as at 30.11.2018</b>	50,200	(1,923)	48,233	1,219	(6,387)	(5,168)	91,342



- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Share capital S\$'000	Treasury shares S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b>COMPANY</b>				
<b>Balance as at 28.02.2019</b>	50,200	(1,923)	8,674	56,951
Total comprehensive income for the financial period	-	-	57	57
Purchases of treasury shares	-	(540)	-	(540)
<b>Balance as at 30.11.2019</b>	<u>50,200</u>	<u>(2,463)</u>	<u>8,731</u>	<u>56,468</u>
<b>Balance as at 28.02.2018</b>	50,200	(1,923)	18,311	66,588
Total comprehensive income for the financial period	-	-	1,134	1,134
Dividends paid on ordinary shares	-	-	(453)	(453)
<b>Balance as at 30.11.2018</b>	<u>50,200</u>	<u>(1,923)</u>	<u>18,992</u>	<u>67,269</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital

	<u>Group and Company</u>	
	No. of shares (('000))	(S\$'000)
Ordinary shares - Issued and fully paid:		
Balance as at 1 Sep 2019 and 30 November 2019	<u>313,085</u>	<u>50,200</u>

There was no change in the Company's share capital from 28 February 2019 to 30 November 2019.

As at 30 November 2019, the Company held 14,557,800 of its issued shares as Treasury Shares (30 November 2018: 10,873,000).

The Company does not have any outstanding options or convertibles at the end of the financial period under review (30 November 2018: Nil).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30.11.2019	28.02.2019
	Number of shares	Number of shares
	('000)	('000)
Total number of shares issued	313,085	313,085
Less: Treasury shares	<u>(14,558)</u>	<u>(10,873)</u>
Issued shares excluding treasury shares	<u><u>298,527</u></u>	<u><u>302,212</u></u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures in this announcement have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of the matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 28 February 2019 except as disclosed in paragraph 5 below.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group adopted the new and revised SFRS(I)s that are effective for annual periods beginning on or after 1 March 2019. The application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 - Leases.

**Adoption of SFRS(I) 16 - Leases**

SFRS(I) 16 requires lessees to recognize most leases on the statement of financial position. At the date of initial application, the Group recognized a liability to make a lease payment and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group applied this standard using the modified retrospective approach. In addition, the Group elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.
- to apply the exemption not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months as of 1 March 2019.
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

As stated in the Group's 1QFY2020 results announcement, on the adoption of SFRS(I) 16, the Group had recognised right-of-use assets (included in the Property, plant and equipment) and lease liabilities of \$1.1 million for its leases previously classified as operating leases.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	GROUP			
	3QFY20	3QFY19	3QYTDFY20	3QYTDFY19
(Loss)/profit attributable to shareholders (\$'000)	(97)	371	(573)	1,859
Weighted average number of shares used to compute				
basic and diluted earnings per share ('000)	299,181	302,212	300,948	302,212
Earnings per share (cents) - basic and diluted	(0.03)	0.12	(0.19)	0.62

The weighted average number of shares was computed after adjusting for the effect of treasury shares held by the Company.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the:**  
**(a) current period reported on; and**  
**(b) immediately preceding financial year**

	GROUP		COMPANY	
	30.11.2019	28.2.2019	30.11.2019	28.2.2019
Net asset value per ordinary share based on				
share capital at the end of the period (cents)	26.51	26.76	18.92	18.84

The calculation of the net asset value per ordinary share was based on total number of 298,527,000 (28.2.2019: 302,212,000) ordinary shares (excluding treasury shares).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Consolidated statement of comprehensive income**

The Group has reported turnover of \$14.0 million for the third quarter ended 30 November 2019 (3QFY20), a decrease of 34.5% (or \$7.4 million) as compared to \$21.3 million in the corresponding financial period in FY2019 (3QFY19). The decrease was attributed to declines in both HDD components and Precision Metal Stamping components segments. Turnover in HDD components segment decreased by 38.7% quarter-on-quarter due to lower sales of Baseplates, air-combs and VCM plates. Turnover in PMS components segment decreased by 18.4% quarter-on-quarter due to lower customers' demands.

### **Consolidated statement of comprehensive income (cont' d)**

Cost of sales of the Group decreased by 30.0% (or \$5.6 million) quarter-on-quarter. The decrease was not in proportion with the decrease in turnover. This was mainly attributed to certain fixed costs and R&D costs incurred in 3QFY20. As a result, the gross profit margin declined as compared to 3QFY19.

Other operating income decreased by 16.5% (or \$130K) quarter-on-quarter. The decrease was mainly attributable to decrease in sales of scrap metal. The decrease was partially offset by gain on disposal of property, plant and equipment and higher interest income.

Distribution and selling expenses decreased by 35.8% (or \$228K) quarter-on-quarter due to lower sales activities in 3QFY20.

General and administrative expenses decreased by 51.0% (or \$1.2 million) quarter-on-quarter mainly due to a net foreign exchange gain of \$185K (3QFY19: foreign exchange loss of \$0.5 million), and lower administrative staff costs and general overhead costs recorded in 3QFY20.

Finance costs decreased by 35.8% (or \$24K) quarter-on-quarter mainly due to lower balance of interest-bearing loans and borrowings.

### **Statement of financial position**

The Group's non-current assets decreased by 10.4% (or \$5.7 million) as compared to previous financial year ended 28 February 2019 (FY19). The decrease was mainly due to depreciation expenses charged on the property, plant and equipment. In addition, the depreciation of Renminbi and Ringgit Malaysia against Singapore Dollar has resulted in a lower net book value of property, plant and equipment upon consolidation of financial statements. The decrease was partially offset by recognition of right-of-use assets (\$1.1 million) in Property, plant and equipment upon adoption of SFRS(I) 16 Leases as stated in Paragraph 5.

At the Company level, the Company had extended a loan to a subsidiary in Malaysia in the previous quarter. The loan was previously owing by the subsidiary to a fellow subsidiary for the purchases of plant and machinery. As the loan was to finance capital expenditure, the Company had assumed the loan and extended the loan to the subsidiary as a long-term loan.

The Group's current assets increased by 1.6% (or \$0.7 million) as compared to FY19 mainly due to increases in trade receivables (\$2.3 million) and cash and bank balances (\$4.0 million). Trade receivables increased mainly due to higher sales in 3QFY20 as compared to 4QFY19. The increases were partially offset by decrease in inventories (\$5.4 million). The decrease in inventories is mainly attributable to the completion of Baseplates delivery in 3QFY20. At the Company level, other receivables decreased by \$15.6 million mainly due to settlement of intercompany receivables by the subsidiaries.

The Group's current liabilities decreased by 29.8% (or \$3.9 million) as compared to FY19 mainly due to decreases in trade payables and interest-bearing loans and borrowings. Trade payables decreased by \$0.7 million mainly due to settlements made by the Group. Interest-bearing loans and borrowings decreased by \$3.2 million due to repayments made during the financial year.

The Group's non-current liabilities increased by 14.9% (or \$0.7 million) as compared to FY19 mainly due to recognition of lease liabilities upon adoption of SFRS(I) 16 Leases as stated in Paragraph 5.

**Consolidated statement of cash flows**

During 3QFY20, the Group has net cash flow generated from operating activities of \$3.7 million as compared to \$6.1 million in 3QFY19. The net cash flows generated from operating activities in 3QFY20 was mainly contributed by operating cash flows before changes in working capital, decrease in inventories and increase in other payables. It was partially offset by increases in trade receivables and other receivables and prepayments.

In investing activities, the Group generated net cash flows of \$29K during 3QFY20 in contrast with \$0.6 million used in 3QFY19. The net cash flows generated was from proceeds for disposal of property, plant and equipment.

During 3QFY20, the Group has net cash flow used in financing activities of \$1.0 million as compared to \$1.1 million in 3QFY19. The net cash flow used was mainly for repayment of interest-bearing loans and borrowings and purchases of treasury shares.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group has reported a loss after taxation of \$97K for 3QFY20. The loss was mainly due to low turnover and there was no significant other operating income recorded during 3QFY20. The Company has made a profit guidance announcement in this regard on 2 January 2020.

**10 A commentary at the date of the announcement of the significant trends or competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Delivery of Baseplates has been completed in 3QFY20. Sales for HDD components segment is expected to be lower in the coming months.

The Group has diversified into various industries and will continue to explore new business opportunities by leveraging on the Group's core competence.

PMS components segment is expected to experience soft market demand.

The global trade friction has created a challenging business environment.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any interim (final) dividend declared (recommended) for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

As the Company was in a loss-making position in the three-quarters ended 30 November 2019, the Board has not declared/recommended any dividend.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, statement to that effect.**

The Group does not have a general mandate from its shareholders for interested person transactions.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in the Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officer.

**Confirmation by the Board**

On behalf of the Board of Directors, we, the undersigned, hereby confirm to the best of our knowledge that nothing has to come to the attention of the Board of Directors of the Company which may render the unaudited financial results of Cheung Woh Technologies Ltd for the third quarter ended 30 November 2019 set out above to be false or misleading in any material aspects.

For and on behalf of the Board of Directors

Law Kung Ying  
Director

Law Yu Chui  
Director

8 January 2020