



Financial Statements And Dividend Announcement  
For First Quarter Financial Period Ended 31 May 2018

**CHEUNG WOH TECHNOLOGIES LTD**

Co. Reg. No. 197201205Z

First Quarter Financial Statements And Dividend 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 financial period ended 31 May 2018.

**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**

	Notes	GROUP		Increase/ (decrease) %
		3 months ended		
		31.5.2018 S\$'000	31.5.2017 S\$'000	
Turnover		21,418	16,550	29.4
Cost of sales		(18,337)	(16,102)	13.9
Gross profit		3,081	448	587.7
Other operating income	a	914	1,135	(19.5)
Distribution and selling expenses		(808)	(1,158)	(30.2)
General and administrative expenses		(2,282)	(2,053)	11.2
Finance costs		(140)	(125)	12.0
Share of results of associates		-	247	(100.0)
Profit/(loss) before taxation	b	765	(1,506)	n.m.
Income tax expense		(118)	(18)	555.6
Profit/(loss) for the financial period		647	(1,524)	n.m.
Other comprehensive income:				
Foreign currency translation gain/(loss)		306	(772)	
Total comprehensive income for the financial period		953	(2,296)	
Profit/(loss) attributable to:				
Equity owners of the Company		647	(1,524)	
		647	(1,524)	
Total comprehensive income attributable to:				
Equity owners of the Company		953	(2,296)	
		953	(2,296)	
Earnings per share (cents)				
Basic and diluted		0.21	(0.50)	

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>	<b>GROUP</b>	
	3 months ended	
	31.5.2018	31.5.2017
	S\$'000	S\$'000
a	The Group's other operating income included the following:	
	Sales of scrap metal	830
	Foreign exchange gain	-
	Rental income	26
	Sundry income	50
	Interest income	3
	Bad debt recovered	4
	Gain on disposal of property, plant and equipment	1
b	The Group's profit before taxation is arrived at after charging/(crediting):	
	Amortisation and depreciation	2,520
	Foreign exchange loss	296
	Loss on disposal of property, plant and equipment	-
	Interest expense on interest-bearing loans and borrowings	140
	Allowance for inventories obsolescence	6
		2,432
		-
		2
		125
		-

**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	
	31.5.2018	28.2.2018	31.5.2018	28.2.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	68,222	70,497	1,569	1,581
Investment properties	2,509	2,525	2,509	2,525
Intangible assets	120	122	120	122
Investments in subsidiaries	-	-	44,397	44,397
Deferred tax assets	191	191	122	122
	<b>71,042</b>	<b>73,335</b>	<b>48,717</b>	<b>48,747</b>
<b>Current assets</b>				
Inventories	15,224	14,928	-	-
Trade receivables	20,296	22,129	-	-
Other receivables	2,539	11,560	16,593	22,270
Other current assets	1,821	2,097	225	215
Cash and bank balances	12,201	9,184	6,196	5,795
	<b>52,081</b>	<b>59,898</b>	<b>23,014</b>	<b>28,280</b>
<b>Total assets</b>	<b>123,123</b>	<b>133,233</b>	<b>71,731</b>	<b>77,027</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	8,025	11,129	36	62
Other payables	7,526	9,167	698	607
Interest-bearing loans and borrowings	10,266	16,237	4,696	9,770
Income tax payable	139	52	-	-
	<b>25,956</b>	<b>36,585</b>	<b>5,430</b>	<b>10,439</b>
<b>Net current assets</b>	<b>26,125</b>	<b>23,313</b>	<b>17,584</b>	<b>17,841</b>
<b>Non-current liability</b>				
Interest-bearing loans and borrowings	2,196	2,627	-	-
Deferred tax liabilities	3,105	3,108	-	-
	<b>5,301</b>	<b>5,735</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>31,257</b>	<b>42,320</b>	<b>5,430</b>	<b>10,439</b>
<b>Net assets</b>	<b>91,866</b>	<b>90,913</b>	<b>66,301</b>	<b>66,588</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	50,200	50,200	50,200	50,200
Treasury shares	(1,923)	(1,923)	(1,923)	(1,923)
Revenue reserve	47,474	46,827	18,024	18,311
Statutory reserve	1,219	1,219	-	-
Foreign currency translation reserve	(5,104)	(5,410)	-	-
<b>Total equity</b>	<b>91,866</b>	<b>90,913</b>	<b>66,301</b>	<b>66,588</b>
<b>Total equity and liabilities</b>	<b>123,123</b>	<b>133,233</b>	<b>71,731</b>	<b>77,027</b>

**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 31.05.2018		As at 28.02.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,570	4,696	6,467	9,770

# The amount of \$5,570,000 (28.02.2018: \$6,467,000) includes \$2,213,000 (28.02.2018: \$3,102,000) 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 31.05.2018		As at 28.02.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,196	-	2,627	-

C) Details of any collateral

- i) Certain bank borrowings of the Group and the Company are secured; and
- ii) The bank borrowings of certain subsidiary companies are secured by legal mortgage over the subsidiary companies' properties and corporate guarantee from the holding company.

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

	<b>GROUP</b>	
	3 months ended	
	31.5.2018	31.5.2017
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	765	(1,506)
Adjustments for:		
Amortisation and depreciation	2,520	2,432
Allowance for stock obsolescence	6	-
(Gain)/loss on disposal of property, plant and equipment	(1)	2
Unrealised exchange (gain)/loss	(23)	37
Interest expense	140	125
Share of results of associates	-	(247)
Interest income	(3)	(13)
Bad debts recovered	(4)	-
<b>Operating cash flows before changes in working capital</b>	3,400	830
(Increase)/decrease in:		
Inventories	(233)	(2,722)
Trade receivables	2,054	397
Other receivables and prepayments	1,327	(850)
(Decrease)/increase in:		
Trade payables	(3,205)	1,733
Other payables	(1,775)	3,656
<b>Cash flow generated from operations</b>	1,568	3,044
Interest received	3	13
Interest paid	(140)	(125)
Income tax paid	(55)	(90)
<b>Net cash flow generated from operating activities</b>	1,376	2,842

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**

	3 months ended	
	31.5.2018	31.5.2017
	S\$'000	S\$'000
<b>Cash flow from investing activities</b>		
Proceeds from disposal of investment in associate companies	8,370	-
Additions to intangible assets	-	(24)
Purchase of property, plant and equipment	(142)	(3,480)
Proceeds from disposal of property, plant and equipment	42	-
Advance payment to suppliers of property, plant and equipment	(285)	(2,345)
<b>Net cash flow generated from/(used in) investing activities</b>	<b>7,985</b>	<b>(5,849)</b>
<b>Cash flow from financing activities</b>		
Proceeds from interest-bearing loans and borrowings	3,115	6,142
Repayment of interest-bearing loans and borrowings	(9,569)	(4,026)
Increase in cash and cash equivalents subject to restrictions	-	(5)
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(6,454)</b>	<b>2,111</b>
Net increase/(decrease) in cash and cash equivalents	2,907	(896)
Cash and cash equivalents at beginning of financial period	9,041	10,615
Effect of exchange rate changes on cash and cash equivalents	110	(81)
<b>Cash and cash equivalents at end of financial period</b>	<b>12,058</b>	<b>9,638</b>

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

	<b>GROUP</b>	
	31.5.2018	31.5.2017
	S\$'000	S\$'000
Cash and bank balances	12,058	9,638
Fixed deposits	143	138
	<b>12,201</b>	<b>9,776</b>
Less:		
Cash and cash equivalents subject to restriction *	(143)	(138)
Cash and cash equivalents at end of financial period	<b>12,058</b>	<b>9,638</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 28.02.2018</b>	50,200	(1,923)	46,827	1,219	(5,410)	(4,191)	90,913
Total comprehensive income for the financial period	-	-	647	-	306	306	953
<b>Balance as at 31.05.2018</b>	50,200	(1,923)	47,474	1,219	(5,104)	(3,885)	91,866
<b>Balance as at 28.02.2017</b>	50,200	(1,923)	63,887	1,219	(4,682)	463	108,701
Total comprehensive income for the financial period	-	-	(1,524)	-	(772)	(772)	(2,296)
<b>Balance as at 31.05.2017</b>	50,200	(1,923)	62,363	1,219	(5,454)	(309)	106,405



**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 28.02.2018</b>	50,200	(1,923)	18,311	66,588
Total comprehensive income for the financial period	-	-	(287)	(287)
<b>Balance as at 31.05.2018</b>	50,200	(1,923)	18,024	66,301
<b>Balance as at 28.02.2017</b>	50,200	(1,923)	17,020	65,297
Total comprehensive income for the financial period	-	-	(93)	(93)
<b>Balance as at 31.05.2017</b>	50,200	(1,923)	16,927	65,204

**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

	<b>Group and Company</b>	
	No. of shares (('000)	(S\$'000)
Ordinary shares - Issued and fully paid		
Balance as at 1 March 2018 and 31 May 2018	313,085	50,200

There was no change in the Company's share capital from 28 February 2018 to 31 May 2018.

As at 31 May 2018, the Company held 10,873,000 of its issued shares as Treasury Shares (31 May 2017: 10,873,000).

The Company does not have any outstanding options or convertibles at the end of the financial period under review (31 May 2017: 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.**

	31.05.2018	28.02.2018
	Number of shares	Number of shares
	('000)	('000)
Total number of shares issued	313,085	313,085
Less: Treasury shares	<u>(10,873)</u>	<u>(10,873)</u>
Issued shares excluding treasury shares	<u><u>302,212</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 2018, 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**

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange are required to apply Singapore Financial Reporting Standards (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 March 2018.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 28 February 2018, except for the adoption of the new/revised SFRS(I) applicable for the financial period beginning 1 March 2018 as follows:

- SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 9 Financial Instruments

- SFRS(I) 15 Revenue from Contracts with Customers

(a) SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current reporting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any impact on the Group's financial statements.

(b) SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets and impairment of financial assets. The Group adopted the new standard on the required effective date without restating prior periods' information and recognizes any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

SFRS(I) 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group applies the simplified approach and record lifetime expected losses on all trade receivables. Trade receivables arisen mainly from major customers and repayable within 90 days' terms. Considering there was no trade receivables determined to be impaired historically, the application of expected credit loss model does not have a significant impact on the financial statements.

(c) SFRS(I) 15

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognized at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group applies the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that begin and end within the same year or are completed contracts at 1 March 2017, are not restated.

The Group previously recognized revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns. Under SFRS(I) 15, the Group estimates the amount of expected returns in determining the transaction price and recognizes revenue based on the amounts to which the Group expects to be entitled through the end of the return period. The adoption of SFRS(I) 15 does not have significant impact to the financial statements.

**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**

	<b>GROUP</b>	
	31.5.2018	31.5.2017
Profit/(loss) attributable to shareholders (\$'000)	647	(1,524)
Weighted average number of shares used to compute basic and diluted earnings per share ('000)	302,212	302,212
Earnings per share (cents) - basic and diluted	0.21	(0.50)

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	
	31.5.2018	28.2.2018	31.5.2018	28.2.2018
Net asset value per ordinary share based on share capital at the end of the period (cents)	30.40	30.08	21.94	22.03

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.2.2017: 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 \$21.4 million for the first quarter ended 31 May 2018 (1QFY19), an increase of 29.4% (or \$4.9 million) as compared to \$16.6 million in the corresponding financial period in FY2018 (1QFY18). The increase in turnover is mainly attributable to an increase in Baseplates delivery and demand for Precision Metal Stamping ("PMS") components segment.

Turnover in HDD components segment increased by 33.0%, which was mainly contributed by higher sales of Baseplates. As the Group has completed phasing in the manufacturing of Baseplates in 3QFY18, sales in Baseplates had increased significantly compared to 1QFY18. In addition, there was an increase in demand for air combs in 1QFY19 compared to 1QFY18. This was offset by a reduction in sales for VCM plates in 1QFY19.

Turnover in PMS components segment increased by 17.4%, which was mainly contributed by higher sales in the Middle East.

Cost of sales (COS) of the Group increased by 13.9% (or \$2.2 million) as compared to 1QFY18. Higher COS was in line with higher turnover recorded during 1QFY19. However, the increase in COS was lower than the increase in turnover. This was attributed to a reduction in labour and overhead costs, due to improved efficiency after the completion of phasing in of Baseplates. As a result, the gross profit margin improved as compared to 1QFY18.

Other operating income in 1QFY19 was 19.5% (or \$221K) lower as compared to 1QFY18. The decrease was mainly attributable to a foreign exchange gain which was recorded in 1QFY18. The decrease was partially offset by an increase in sales of scrap metal.

Distribution and selling expenses decreased by 30.2% (or \$350K) as compared to 1QFY18 mainly due to high sales expenses recorded in 1QFY18.

General and administrative expenses increased by 11.2% (or \$229K) as compared to 1QFY18 mainly due to foreign exchange loss of \$296K recorded in 1QFY19.

Finance costs increased by 12.0% (or \$15K) as compared to 1QFY18 despite a lower balance in interest-bearing loans and borrowings as at 31<sup>st</sup> May 2018. This was due to a drawdown of short-term loan at the end of 1QFY18 incurring only negligible interest expense.

There was no share of results of associates in 1QFY19 as the Company had completed the disposal of its investment in associates on 31 January 2018.

#### **Statement of financial position**

The Group's non-current assets decreased by 3.1% (or \$2.3 million) as compared to previous financial year ended 28 February 2018 (FY18) mainly due to depreciation expenses charged on the property, plant and equipment.

The Group's current assets decreased by 13.1% (or \$7.8 million) as compared to FY18 mainly due to decreases in trade and other receivables. Trade receivables decreased by \$1.8 million mainly due to prompt payments made by customers. Other receivables decreased by \$9.0 million mainly due to two reasons. Firstly, the proceeds from the disposal of investment in associates was received during 1QFY19. Secondly, value-added-tax recoverable in subsidiaries in China has decreased due to higher sales. The decreases were partially offset by increase in cash and bank balances. At the Company level, other receivables decreased by \$5.7 million mainly due to receipt of disposal proceeds as mentioned above which was partially offset by increase in inter-companies receivables.

The Group's current liabilities decreased by 29.1% (or \$10.6 million) as compared to FY18 mainly due to decreases in trade and other payables and interest-bearing loans and borrowings. Trade payables decreased by \$3.1 million mainly due to settlements made by the Group and lesser purchases made in 1QFY19 as compared to 4QFY18. Other payables decreased by \$1.6 million due to two reasons. Firstly, there was a decrease in advance payments from customers due to recognition of revenue upon delivery of goods. Secondly, payables on purchase of machinery was reduced due to settlements of balance payment. Interest-bearing loans and borrowings decreased due to repayments made during 1QFY19.

The Group's non-current liabilities decreased by 7.6% (or \$434K) as compared to FY18 mainly due to the transfer of interest-bearing loans and borrowings due within the next twelve months from non-current liabilities to current liabilities.

#### **Consolidated statement of cash flow**

During 1QFY19, the Group has net cash flow generated from operating activities of \$1.4 million as compared to \$2.8 million in 1QFY18. The net cash flows generated from operating activities in 1QFY19 was mainly contributed by operating cash flows before changes in working capital, decreases in trade receivables and other receivables and prepayments. It was partially offset by decreases in trade and other payables.

In investing activities, the Group generated \$8.0 million during 1QFY19 in contrast with \$5.8 million used in 1QFY18. The net cash generated was mainly from proceeds from disposal of investment in associate companies.

During 1QFY19, the Group has net cash flow used in financing activities of \$6.5 million in contrast with \$2.1 million net cash flow generated in 1QFY18. The net cash flow used was mainly for repayment of interest-bearing loans and borrowings.

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

There is no variance from the previous financial results announcement for full financial year ended 28 February 2018.

**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**

According to [www.statista.com](http://www.statista.com), global HDD shipment is forecast to be 357 million, 343 million and 333 million drives in 2018, 2019 and 2020 respectively. This will affect our VCM plates business.

The replacement of air-filled HDD by helium-filled HDD which do not require air-combs for the mid-range servers will affect our air-comb business.

Based on the above, HDD components segment will face uncertainty and challenge. However, our Baseplates for helium-filled HDD will give us an opportunity.

PMS components segment is expected to do well.

The Company is actively looking to develop new products and/or for new markets for the future growth of the Group.

The global trade friction is creating an uncertain business environment.

**11 Dividend**

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

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

None.

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

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

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for the current financial period.

**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 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 first quarter ended 31 May 2018 set out above to be false or misleading in any material respects.

For and On behalf of the Board of Directors

Law Kung Ying  
Director

Law Yu Chui  
Director

06 July 2018