



Financial Statements And Related Announcement
For Second Quarter Financial Period Ended 31 August 2019

CHEUNG WOHO TECHNOLOGIES LTD

Co. Reg. No. 197201205Z

Second 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 financial period ended 31 August 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

		GROUP		Increase/ (decrease)	GROUP		Increase/ (decrease)
	Notes	2QFY20 S\$'000	2QFY19 S\$'000	%	1H FY20 S\$'000	1H FY19 S\$'000	%
Turnover		12,872	22,985	(44.0)	25,264	44,403	(43.1)
Cost of sales		<u>(11,453)</u>	<u>(19,809)</u>	(42.2)	<u>(22,551)</u>	<u>(38,146)</u>	(40.9)
Gross profit		1,419	3,176	(55.3)	2,713	6,257	(56.6)
Other operating income	a	1,034	1,186	(12.8)	1,646	2,100	(21.6)
Distribution and selling expenses		(390)	(788)	(50.5)	(782)	(1,596)	(51.0)
General and administrative expenses		(1,779)	(2,521)	(29.4)	(3,687)	(4,803)	(23.2)
Finance costs		<u>(58)</u>	<u>(93)</u>	(37.6)	<u>(147)</u>	<u>(233)</u>	(36.9)
Profit/(loss) before taxation	b	226	960	(76.5)	(257)	1,725	n.m.
Income tax expense		<u>(120)</u>	<u>(119)</u>	0.8	<u>(219)</u>	<u>(237)</u>	(7.6)
Profit/(loss) for the financial period		<u>106</u>	<u>841</u>	(87.4)	<u>(476)</u>	<u>1,488</u>	n.m.
Other comprehensive income:							
Foreign currency translation (loss)/gain		<u>(362)</u>	<u>(605)</u>		<u>(62)</u>	<u>(299)</u>	
Total comprehensive income for the financial period		<u>(256)</u>	<u>236</u>		<u>(538)</u>	<u>1,189</u>	
Profit/(loss) attributable to:							
Equity owners of the Company		<u>106</u>	<u>841</u>		<u>(476)</u>	<u>1,488</u>	
Total comprehensive income attributable to:							
Equity owners of the Company		<u>(256)</u>	<u>236</u>		<u>(538)</u>	<u>1,189</u>	
Earnings per share (cents)							
Basic and diluted		0.04	0.28		(0.16)	0.49	

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	
	2QFY20 S\$'000	2QFY19 S\$'000	1HFY20 S\$'000	1HFY19 S\$'000
a The Group's other operating income included the following:				
Sales of scrap metal	319	1,003	785	1,833
Rental income	104	85	193	111
Sundry income	4	84	12	134
Gain on disposal of property, plant and equipment	-	-	-	1
Interest income	93	14	142	17
Income from insurance claim	514	-	514	-
Bad debt recovered	-	-	-	4
b The Group's profit before taxation is arrived at after charging/(crediting):				
Amortisation and depreciation	1,822	2,434	3,712	4,954
Interest expense on interest-bearing loans and borrowings	58	93	147	233
Allowance for inventories obsolescence	4	-	(10)	5
Foreign exchange (gain)/loss				
- Realised exchange (gain)/loss	101	(52)	(146)	(202)
- Unrealised exchange (gain)/loss	233	736	874	1,182
	<u>334</u>	<u>684</u>	<u>728</u>	<u>980</u>

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	
	31.8.2019	28.2.2019	31.8.2019	28.2.2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment *	47,817	51,625	2,626	1,564
Investment properties	2,427	2,460	2,427	2,460
Investments in subsidiary companies	-	-	34,716	34,716
Long-term loan to a subsidiary **	-	-	11,214	-
Deferred tax assets	273	273	272	272
	<u>50,517</u>	<u>54,358</u>	<u>51,255</u>	<u>39,012</u>
Current assets				
Inventories	9,021	10,771	-	-
Trade receivables	11,184	10,179	-	-
Other receivables	1,691	1,774	574	16,758
Other current assets	643	785	74	80
Cash and bank balances	22,103	20,701	6,617	1,732
	<u>44,642</u>	<u>44,210</u>	<u>7,265</u>	<u>18,570</u>
Total assets	<u>95,159</u>	<u>98,568</u>	<u>58,520</u>	<u>57,582</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	3,197	3,688	3	29
Other payables	3,720	4,016	519	602
Lease liabilities ***	6	-	6	-
Interest-bearing loans and borrowings	2,442	5,161	-	-
Income tax payable	173	181	-	-
	<u>9,538</u>	<u>13,046</u>	<u>528</u>	<u>631</u>
Net current assets	<u>35,104</u>	<u>31,164</u>	<u>6,737</u>	<u>17,939</u>
Non-current liabilities				
Interest-bearing loans and borrowings	185	456	-	-
Lease liabilities ***	1,099	-	1,099	-
Deferred tax liabilities	4,176	4,182	-	-
	<u>5,460</u>	<u>4,638</u>	<u>1,099</u>	<u>-</u>
Total liabilities	<u>14,998</u>	<u>17,684</u>	<u>1,627</u>	<u>631</u>
Net assets	<u>80,161</u>	<u>80,884</u>	<u>56,893</u>	<u>56,951</u>
Equity attributable to owners of the Company				
Share capital	50,200	50,200	50,200	50,200
Treasury shares	(2,108)	(1,923)	(2,108)	(1,923)
Revenue reserve	36,951	37,427	8,801	8,674
Statutory reserve	1,219	1,219	-	-
Foreign currency translation reserve	(6,101)	(6,039)	-	-
Total equity	<u>80,161</u>	<u>80,884</u>	<u>56,893</u>	<u>56,951</u>
Total equity and liabilities	<u>95,159</u>	<u>98,568</u>	<u>58,520</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 31.08.2019		As at 28.02.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,442	-	5,161	-

The amount of \$2,442,000 (28.02.2019: \$5,161,000) includes \$820,000 (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 31.08.2019		As at 28.02.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
185	-	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.

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

	GROUP		GROUP	
	2QFY20	2QFY19	1HFY20	1HFY19
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before taxation	226	960	(257)	1,725
Adjustments for:				
Amortisation and depreciation	1,822	2,434	3,712	4,954
Gain on disposal of property, plant and equipment	-	-	-	(1)
Unrealised exchange loss/(gain)	57	(186)	-	(208)
Interest expense	58	93	147	233
Bad debts recovered	-	-	-	(4)
Allowance for inventories obsolescence	4	-	(10)	5
Interest income	(93)	(14)	(142)	(17)
Operating cash flows before changes in working capital	2,074	3,287	3,450	6,687
(Increase)/decrease in:				
Inventories	1,323	988	1,824	755
Trade receivables	693	(909)	(925)	1,145
Other receivables and prepayments	409	738	712	2,065
(Decrease)/increase in:				
Trade payables	(902)	(636)	(518)	(3,841)
Other payables	(413)	160	4	(1,615)
Cash flow generated from operations	3,184	3,628	4,547	5,196
Interest received	93	14	142	17
Bank loan interest paid	(38)	(93)	(108)	(233)
Income tax paid	(120)	(21)	(163)	(76)
Net cash flow generated from operating activities	3,119	3,528	4,418	4,904

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	
	2QFY20	2QFY19	1HFY20	1HFY19
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from investing activities				
Purchase of property, plant and equipment	(65)	(107)	(110)	(251)
Proceeds from disposal of property, plant and equipment	-	-	-	42
Increase in pledged deposits	-	(5)	(5)	(5)
Advance payment to suppliers of property, plant and equipment	-	(244)	-	(527)
Proceeds from disposal of investment in associate companies	-	-	-	8,370
Net cash flow (used in)/generated from investing activities	(65)	(356)	(115)	7,629
Cash flow from financing activities				
Proceeds from interest-bearing loans and borrowings	2,145	3,332	4,028	6,447
Repayment of interest-bearing loans and borrowings	(2,832)	(9,270)	(7,024)	(18,839)
Purchase of treasury shares	(151)	-	(185)	-
Repayment of lease liabilities	(21)	-	(42)	-
Net cash flow used in from financing activities	(859)	(5,938)	(3,223)	(12,392)
Net increase/(decrease) in cash and cash equivalents	2,195	(2,766)	1,080	141
Cash and cash equivalents at beginning of financial period	19,658	12,058	20,552	9,041
Effect of exchange rate changes on cash and cash equivalents	101	(89)	322	21
Cash and cash equivalents at end of financial period	21,954	9,203	21,954	9,203

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

	GROUP	
	31.08.2019	31.08.2018
	S\$'000	S\$'000
Cash and bank balances	21,954	9,203
Fixed deposits	149	146
	22,103	9,349
Less:		
Cash and cash equivalents subject to restriction *	(149)	(146)
Cash and cash equivalents at end of financial period	21,954	9,203

* 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
GROUP							
Balance as at 28.02.2019	50,200	(1,923)	37,427	1,219	(6,039)	(4,820)	80,884
Total comprehensive loss for the financial period	-	-	(476)	-	(62)	(62)	(538)
Purchase of treasury shares	-	(185)	-	-	-	-	(185)
Balance as at 31.08.2019	50,200	(2,108)	36,951	1,219	(6,101)	(4,882)	80,161
Balance as at 28.02.2018	50,200	(1,923)	46,827	1,219	(5,410)	(4,191)	90,913
Total comprehensive income for the financial period	-	-	1,488	-	(299)	(299)	1,189
Balance as at 31.08.2018	50,200	(1,923)	48,315	1,219	(5,709)	(4,490)	92,102

- 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
COMPANY				
Balance as at 28.02.2019	50,200	(1,923)	8,674	56,951
Total comprehensive income for the financial period	-	-	127	127
Purchase of treasury shares	-	(185)	-	(185)
Balance as at 31.08.2019	<u>50,200</u>	<u>(2,108)</u>	<u>8,801</u>	<u>56,893</u>
Balance as at 28.02.2018	50,200	(1,923)	18,311	66,588
Total comprehensive income for the financial period	-	-	(89)	(89)
Balance as at 31.08.2018	<u>50,200</u>	<u>(1,923)</u>	<u>18,222</u>	<u>66,499</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 June 2019 and 31 August 2019	313,085	50,200

There was no change in the Company's share capital from 28 February 2019 to 31 August 2019.

As at 31 August 2019, the Company held 12,228,500 of its issued shares as Treasury Shares (31 August 2018: 10,873,000).

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

	31.08.2019	28.02.2019
	Number of shares	Number of shares
	('000)	('000)
Total number of shares issued	313,085	313,085
Less: Treasury shares	(12,229)	(10,873)
Issued shares excluding treasury shares	<u>300,856</u>	<u>302,212</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			
	2QFY20	2QFY19	1HFY20	1HFY19
Profit/(loss) attributable to shareholders (\$'000)	106	841	(476)	1,488
Weighted average number of shares used to compute				
basic and diluted earnings per share ('000)	301,544	302,212	301,831	302,212
Earnings per share (cents) - basic and diluted	0.04	0.28	(0.16)	0.49

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	
	31.8.2019	28.2.2019	31.8.2019	28.2.2019
Net asset value per ordinary share based on				
share capital at the end of the period (cents)	26.64	26.76	18.91	18.84

The calculation of the net asset value per ordinary share was based on total number of 300,856,000 (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 \$12.9 million for the second quarter ended 31 August 2019 (2QFY20), a decrease of 44.0% (or \$10.1 million) as compared to \$23.0 million in the corresponding financial period in FY2019 (2QFY19). The decrease was mainly attributed to a decline in the HDD components segment. Turnover in HDD components segment decreased by 52.0% quarter-on-quarter due to lower sales of Baseplates, air-combs and VCM plates. Turnover in PMS components segment decreased by 1.6% quarter-on-quarter due to lower customers' demands.

Consolidated statement of comprehensive income (cont'd)

Cost of sales of the Group decreased by 42.2% (or \$8.4 million) quarter-on-quarter. The decrease was in line with the decrease in turnover except for some of the overhead costs which are fixed. As a result, the gross profit margin declined as compared to 2QFY19.

Other operating income decreased by 12.8% (or \$152K) quarter-on-quarter. The decrease was mainly attributable to decreases in sales of scrap metal and sundry income. The decrease was partially offset by income from insurance claim and higher interest income. As announced on 24 July 2019, the Group has received an amount of RMB2.5 million being insurance claim caused by typhoon Hato.

Distribution and selling expenses decreased by 50.5% (or \$398K) quarter-on-quarter due to lower sales activities in 2QFY20.

General and administrative expenses decreased by 29.4% (or \$0.7 million) quarter-on-quarter mainly due to lower foreign exchange loss and administrative staff costs.

Finance costs decreased by 37.6% (or \$35K) 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 7.1% (or \$3.8 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.

During 2QFY20, the Company had extended a loan to a subsidiary in Malaysia. 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 1.0% (or \$432K) as compared to FY19 mainly due to increases in trade receivables (\$1.0 million) and cash and bank balances (\$1.4 million). Trade receivables increased mainly due to higher sales in 2QFY20 as compared to 4QFY19. The increases were partially offset by decrease in inventories (\$1.8 million). At the Company level, other receivables decreased by \$16.2 million mainly due to settlement of intercompany receivables by the subsidiaries.

The Group's current liabilities decreased by 26.9% (or \$3.5 million) as compared to FY19 mainly due to decreases in trade payables, other payables and interest-bearing loans and borrowings. Trade payables decreased by \$0.5 million mainly due to lesser purchases made in 2QFY20 as compared to 4QFY19. Other payables decreased by \$296K mainly due to decrease in advance payments from customers due to recognition of revenue upon delivery of goods. Interest-bearing loans and borrowings decreased by \$2.7 million due to repayments made during the first half of the financial year.

The Group's non-current liabilities increased by 17.7% (or \$0.8 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 flow

During 2QFY20, the Group has net cash flow generated from operating activities of \$3.1 million as compared to \$3.5 million in 2QFY19. The net cash flows generated from operating activities in 2QFY20 was mainly contributed by operating cash flows before changes in working capital, decreases in inventories, trade receivables and other receivables and prepayments. It was partially offset by decreases in trade payables and other payables.

In investing activities, the Group used \$65K during 2QFY20 as compared to \$356K in 2QFY19. The net cash used was for the purchases of property, plant and equipment.

During 2QFY20, the Group has net cash flow used in financing activities of \$0.9 million as compared to \$5.9 million in 2QFY19. 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 first quarter ended 31 May 2019.

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

Sales for HDD components segment is expected to be lower in the coming months. Our Baseplates production has been completed in September 2019. Delivery is expected to complete in 3QFY20.

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?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	0.15 cent per ordinary share
Tax Rate	Tax Exempt (One-tier)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

As the Company was in a loss-making position in 1H FY20, 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 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 second quarter ended 31 August 2019 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

10 October 2019