

CHEUNG WOH TECHNOLOGIES LTD
(Company Registration No. 197201205Z)
(Incorporated in the Republic of Singapore)

CONFIRMATION LETTER
SALE OF PROPERTY LOCATED AT NO. 23 TUAS SOUTH STREET 1, SINGAPORE
638033

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Cheung Woh Technologies Ltd (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company has, on 27 February 2020, entered into a confirmation letter (“**Confirmation**”) with Yi Hui Metals Pte Ltd (“**Purchaser**”) for the sale by the Company to the Purchaser of the Company’s property located at 23 Tuas South Street 1, Singapore 638033 (the “**Property**”) (the “**Proposed Sale**”).

The Confirmation sets out in brief the principle terms of the Proposed Sale and is subject to the detailed terms and conditions of an option to purchase (the “**OTP**”), which the Company and Purchaser (the “**Parties**”) shall endeavour in good faith to formalise within 2 weeks from the date of the Confirmation.

2. INFORMATION ON THE PROPERTY

The Property was previously used for manufacturing activities prior to the relocation of the Company’s manufacturing activities to Malaysia. It is currently used as a head office of the Group.

3. RATIONALE FOR THE PROPOSED SALE

The Company is of the view that the Proposed Sale of the Property is in the best interests of the Company as the Property is underutilised and the Proposed Sale of the Property will enable the Company to realise the value of the Property and improve the overall cash position of the Company.

4. PRINCIPLE TERMS OF THE CONFIRMATION

4.1 Pursuant to the Confirmation, the Parties have agreed that the sale price of the Property shall be S\$6,000,000 (“**Sale Consideration**”). The Sale Consideration is subject to the payment of goods and services tax and stamp duty, when due. The Sale Consideration was arrived at on a “willing-buyer, willing-seller” basis after taking into account the valuation of the Property and various commercial factors including prevailing market conditions, location of the Property and the comparison of recent transacted prices in the vicinity.

4.2 Pursuant to the terms of the Confirmation:

(a) 1% of the Sale Consideration amounting to S\$60,000 will be payable by the Purchaser (“**Option Fee**”). As at the date of this announcement, the Company has received the Option Fee from the Purchaser. The Option Fee is refundable

(without interest) if the Purchaser is unable to obtain a bank loan for the purchase of the Property by 11 March 2020;

- (b) 4% of the Sale Consideration amounting to S\$240,000 will be payable by the Purchaser upon the execution by the Parties of the OTP by 11 March 2020; and
- (c) The Proposed Sale is subject to the approval of JTC Corporation being obtained by the Parties for the sale and purchase of the Property.

5. FURTHER ANNOUNCEMENTS

As the Proposed Sale remains subject to the execution of the OTP, the Company will in due course provide further information on the Proposed Sale via subsequent announcements on SGX-ST following the execution of the OTP.

6. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Sale is subject to certain conditions precedent and at this juncture, remains subject to the execution of the OTP.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this announcement that the Proposed Sale will be completed or that the OTP will be executed. Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company 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

Law Yu Chui
Director

4 March 2020