



Financial Statements And Related Announcement  
For Second Quarter Financial Period Ended 31 August 2017

**CHEUNG WOH 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 period ended 31 August 2017.

**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) %	GROUP		Increase/ (decrease) %
		2QFY18 S\$'000	2QFY17 S\$'000		1HFY18 S\$'000	1HFY17 S\$'000	
Turnover		13,998	21,666	(35.4)	30,548	42,671	(28.4)
Cost of sales		(18,161)	(17,731)	2.4	(34,263)	(34,958)	(2.0)
Gross (loss)/profit		(4,163)	3,935	n.m.	(3,715)	7,713	n.m.
Other operating income	a	1,434	1,191	20.4	2,567	2,710	(5.3)
Distribution and selling expenses		(583)	(756)	(22.9)	(1,741)	(1,513)	15.1
General and administrative expenses		(2,043)	(2,458)	(16.9)	(4,094)	(4,412)	(7.2)
Finance costs		(162)	(119)	36.1	(287)	(206)	39.3
Share of results of associates		(165)	296	n.m.	82	1,152	(92.9)
(Loss)/profit before taxation	b	(5,682)	2,089	n.m.	(7,188)	5,444	n.m.
Income tax expense		(184)	(179)	2.8	(202)	(349)	(42.1)
(Loss)/profit for the financial period		(5,866)	1,910	n.m.	(7,390)	5,095	n.m.
Other comprehensive income:							
Foreign currency translation gain/(loss)		187	(1,878)		(585)	(3,802)	
Total comprehensive (loss)/income for the financial period		(5,679)	32		(7,975)	1,293	
(Loss)/profit attributable to:							
Equity owners of the Company		(5,866)	1,910		(7,390)	5,095	
		(5,866)	1,910		(7,390)	5,095	
Total comprehensive (loss)/income							
Equity owners of the Company		(5,679)	32		(7,975)	1,293	
		(5,679)	32		(7,975)	1,293	
Earnings per share (cents)							
Basic and diluted		(1.94)	0.63		(2.45)	1.69	

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>		<b>GROUP</b>		
	2QFY18 S\$'000	2QFY17 S\$'000	1HFY18 S\$'000	1HFY17 S\$'000	
a	The Group's other operating income included the following:				
	Sales of scrap metal	735	766	1,323	1,576
	Rental income	25	152	51	304
	Write-back of doubtful debts	-	92	-	92
	Foreign exchange gain	595	76	1,055	515
	Sundry income	70	69	118	182
	Gain on disposal of property, plant and equipment	1	28	(1)	28
	Interest income	8	8	21	13
b	The Group's profit before taxation is arrived at after charging/(crediting):				
	Amortisation and depreciation	2,589	2,146	5,021	4,200
	Inventories written-off	2,620	-	2,620	-
	Interest expense on interest-bearing loans and borrowings	162	119	287	206
	Allowance for inventories obsolescence	-	20	-	9

**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	
	31.8.2017	28.2.2017	31.8.2017	28.2.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	76,417	70,546	1,608	1,570
Investment properties	2,558	2,591	2,558	2,591
Intangible assets	136	117	127	109
Investments in subsidiary companies	-	-	44,397	44,397
Investments in associate companies	14,897	18,133	15,662	15,662
Deferred tax assets	199	199	148	148
	<u>94,207</u>	<u>91,586</u>	<u>64,500</u>	<u>64,477</u>
<b>Current assets</b>				
Inventories	15,207	11,954	-	-
Trade receivables	12,658	16,434	-	-
Amount due from an associate	3,152	93	3,152	-
Other receivables	4,064	2,339	9,852	2,137
Other current assets	2,340	3,276	177	173
Cash and bank balances	10,318	10,745	552	920
	<u>47,739</u>	<u>44,841</u>	<u>13,733</u>	<u>3,230</u>
<b>Total assets</b>	<u>141,946</u>	<u>136,427</u>	<u>78,233</u>	<u>67,707</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	8,918	5,632	225	65
Other payables	9,824	5,141	506	561
Amount due to an associate	-	244	-	-
Interest-bearing loans and borrowings	17,193	10,231	9,510	1,784
Income tax payable	226	142	-	-
	<u>36,161</u>	<u>21,390</u>	<u>10,241</u>	<u>2,410</u>
<b>Net current assets</b>	<u>11,578</u>	<u>23,451</u>	<u>3,492</u>	<u>820</u>
<b>Non-current liability</b>				
Interest-bearing loans and borrowings	3,254	4,063	-	-
Deferred tax liabilities	2,107	2,273	-	-
	<u>5,361</u>	<u>6,336</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>41,522</u>	<u>27,726</u>	<u>10,241</u>	<u>2,410</u>
<b>Net assets</b>	<u>100,424</u>	<u>108,701</u>	<u>67,992</u>	<u>65,297</u>
<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	56,195	63,887	19,715	17,020
Statutory reserve	1,219	1,219	-	-
Foreign currency translation reserve	(5,267)	(4,682)	-	-
<b>Total equity</b>	<u>100,424</u>	<u>108,701</u>	<u>67,992</u>	<u>65,297</u>
<b>Total equity and liabilities</b>	<u>141,946</u>	<u>136,427</u>	<u>78,233</u>	<u>67,707</u>

**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 31.08.2017		As at 28.02.2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,683	9,510	8,447	1,784

# The amount of \$7,683,000 (28.02.2017: \$8,447,000) includes \$4,126,000 (28.02.2017: \$4,356,000) 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 31.08.2017		As at 28.02.2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
3,254	-	4,063	-

C) Details of any collateral

- i) Certain bank borrowings of the Group and the Company are unsecured; and
- ii) 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	
	2QFY18 S\$'000	2QFY17 S\$'000	1HFY18 S\$'000	1HFY17 S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit before taxation	(5,682)	2,089	(7,188)	5,444
Adjustments for:				
Amortisation and depreciation	2,589	2,146	5,021	4,200
Inventories written-off	2,620	-	2,620	-
(Gain)/loss on disposal of property, plant and equipment	(1)	(28)	1	(28)
Unrealised exchange loss	56	67	93	146
Interest expense	162	119	287	206
Allowance for inventories obsolescence	-	20	-	9
Share of results of associates	165	(296)	(82)	(1,152)
Interest income	(8)	(8)	(21)	(13)
<b>Operating cash flows before changes in working capital</b>	<b>(99)</b>	<b>4,109</b>	<b>731</b>	<b>8,812</b>
(Increase)/decrease in:				
Inventories	(3,061)	(710)	(5,783)	(745)
Trade receivables	2,958	39	3,355	2,604
Amount due from an associate company	93	(81)	93	(79)
Other receivables and prepayments	(2,014)	(524)	(2,864)	(2,043)
(Decrease)/increase in:				
Trade payables	1,397	1,234	3,130	1,048
Other payables	758	(1,445)	4,414	353
Amount due to an associate company	-	(208)	-	47
<b>Cash flow generated from operations</b>	<b>32</b>	<b>2,414</b>	<b>3,076</b>	<b>9,997</b>
Interest received	8	8	21	13
Interest paid	(162)	(119)	(287)	(206)
Income tax paid	(2)	(36)	(92)	(69)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>(124)</b>	<b>2,267</b>	<b>2,718</b>	<b>9,735</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	
	2QFY18 S\$'000	2QFY17 S\$'000	1HFY18 S\$'000	1HFY17 S\$'000
<b>Cash flow from investing activities</b>				
Additions to intangible assets	-	-	(24)	-
Purchase of property, plant and equipment	(2,794)	(5,836)	(6,274)	(14,318)
Proceeds from disposal of property, plant and equipment	-	475	-	482
Advance payment to suppliers of property, plant and equipment	(320)	-	(2,665)	-
Proceeds from disposal of investment in a quoted equity	-	1	-	1
<b>Net cash flow used in investing activities</b>	<b>(3,114)</b>	<b>(5,360)</b>	<b>(8,963)</b>	<b>(13,835)</b>
<b>Cash flow from financing activities</b>				
Repayment of interest-bearing loans and borrowings	(8,175)	(3,396)	(12,201)	(9,063)
Increase in cash and cash equivalents subject to restrictions	-	-	(5)	-
Dividends paid on ordinary shares	(302)	(2,267)	(302)	(2,267)
Proceeds from interest-bearing loans and borrowings	12,405	9,408	18,547	13,529
<b>Net cash flow generated from financing activities</b>	<b>3,928</b>	<b>3,745</b>	<b>6,039</b>	<b>2,199</b>
Net increase/(decrease) in cash and cash equivalents	690	652	(206)	(1,901)
Cash and cash equivalents at beginning of financial period	9,638	11,741	10,615	14,499
Effect of exchange rate changes on cash and cash equivalents	(145)	(159)	(226)	(364)
<b>Cash and cash equivalents at end of financial period</b>	<b>10,183</b>	<b>12,234</b>	<b>10,183</b>	<b>12,234</b>

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

	GROUP	
	31.08.2017 S\$'000	31.08.2016 S\$'000
Cash and bank balances	10,183	12,234
Fixed deposits	135	133
	<u>10,318</u>	<u>12,367</u>
Less:		
Cash and cash equivalents subject to restriction *	(135)	(133)
Cash and cash equivalents at end of financial period	<u>10,183</u>	<u>12,234</u>

\* 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						Total equity attributable to equity owners of the Company S\$'000
	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	
<b>GROUP</b>							
<b>Balance as at 28.02.2017</b>	50,200	(1,923)	63,887	1,219	(4,682)	(3,463)	108,701
Total comprehensive loss for the financial period	-	-	(7,390)	-	(585)	(585)	(7,975)
Dividends paid on ordinary shares	-	-	(302)	-	-	-	(302)
<b>Balance as at 31.08.2017</b>	50,200	(1,923)	56,195	1,219	(5,267)	(4,048)	100,424
<b>Balance as at 28.02.2016</b>	50,200	(1,923)	63,511	1,170	(1,702)	(532)	111,256
Total comprehensive income for the financial period	-	-	5,095	(9)	(3,793)	(3,802)	1,293
Dividends paid on ordinary shares	-	-	(2,267)	-	-	-	(2,267)
<b>Balance as at 31.08.2016</b>	50,200	(1,923)	66,339	1,161	(5,495)	(4,334)	110,282



- 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 28.02.2017</b>	50,200	(1,923)	17,020	65,297
Total comprehensive income for the financial period	-	-	2,997	2,997
Dividends paid on ordinary shares	-	-	(302)	(302)
<b>Balance as at 31.08.2017</b>	<b>50,200</b>	<b>(1,923)</b>	<b>19,715</b>	<b>67,992</b>
<b>Balance as at 28.02.2016</b>	50,200	(1,923)	19,145	67,422
Total comprehensive income for the financial period	-	-	143	143
Dividends paid on ordinary shares	-	-	(2,267)	(2,267)
<b>Balance as at 31.08.2016</b>	<b>50,200</b>	<b>(1,923)</b>	<b>17,021</b>	<b>65,298</b>

- 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 June 2017 and 31 August 2017	313,085	50,200

There was no change in the Company's share capital from 28 February 2017 to 31 August 2017.

As at 31 August 2017, the Company held 10,873,000 of its issued shares as Treasury Shares (31 August 2016: 10,873,000).

The Company does not have any outstanding options or convertibles at the end of the financial period under review (31 August 2016: 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.**

	31.08.2017	28.02.2017
	Number of shares	Number of shares
	('000)	('000)
Total number of shares issued	313,085	313,085
Less: Treasury shares	(10,873)	(10,873)
Issued shares excluding treasury shares	<u>302,212</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 2016 except that the Group has adopted new Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 January 2017/1 March 2017.

**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 adoption of the standards and interpretations highlighted in paragraph 4 above did not have any effect on the financial performance or position of the Group presented in this announcement.

**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>			
	2QFY18	2QFY17	1HFY18	1HFY17
(Loss)/profit attributable to shareholders (\$'000)	(5,866)	1,910	(7,390)	5,095
Weighted average number of shares used to compute				
basic and diluted earnings per share ('000)	302,212	302,212	302,212	302,212
Earnings per share (cents) - basic and diluted	(1.94)	0.63	(2.45)	1.69

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**

	<b>GROUP</b>		<b>COMPANY</b>	
	31.8.2017	28.2.2017	31.8.2017	28.2.2017
Net asset value per ordinary share based on				
share capital at the end of the period (cents)	33.23	35.97	22.50	21.61

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 \$14.0 million for the second quarter ended 31 August 2017 (2QFY18), a decrease of 35.4% (or \$7.7 million) as compared to \$21.7 million in the corresponding financial period in FY2017 (2QFY17). The lower turnover was mainly attributable to a drop in customers' demand for air-combs and the transition of phasing in the manufacturing of Baseplates.

Cost of sales (COS) of the Group increased by 2.4% (or \$430K) as compared to 2QFY17. COS increased despite a decrease in turnover. The increase in COS was mainly due to inventory written-off, higher materials, labour and overhead costs incurred during 2QFY18. Inventory written-off was due to Baseplates that were damaged by heavy rainstorm caused by Typhoon Hato and Baseplates that failed to meet customer's tightened specifications. Higher materials, labour and overhead costs were incurred due to customer's tightened specifications leading to extra sorting and rework. The additional costs were not passed on to the customer. Depreciation expense increased by \$443K due to additional property, plant and equipment purchased as compared to 2QFY17. As a result of the lower turnover and higher COS, the gross profit margin reduced from 18.2% in 2QFY17 to a negative margin of 11.0% (excluding the one-time write-off of inventories of \$2.6 million) in 2QFY18.

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

Other operating income in 2QFY18 was 20.4% (or \$243K) higher as compared to 2QFY17. The increase was mainly due to an increase in foreign exchange gain. This was offset by a reduction in rental income and no doubtful debt was written-back in 2QFY18.

Distribution and selling expenses decreased by 22.9% (or \$173K) as compared to 2QFY17 mainly due to lower promotional expenses and carriage outwards incurred in 2QFY18.

General and administrative expenses were lower by 16.9% (or \$415K) as compared to 2QFY17 mainly due to lower staff costs incurred during 2QFY18.

Finance costs increased by 36.1% (or \$43K) as compared to 2QFY17 mainly due to increase in interest-bearing loans and borrowings.

Share of results of associate companies represents the Group's interest in the profit after taxation of Jiangsu Tysan Precision Engineering Co., Ltd. group of companies ("TP Group"). During 2QFY18, TP Group has recorded lower revenue as compared to 2QFY17. Both gross profit and net profit have been affected. As a result, the share of results of associate companies decreased as compared to 2QFY17.

### **Statement of financial position**

The Group's non-current assets increased by 2.9% (or \$2.6 million) as compared to previous financial year ended 28 February 2017 (FY17). The increase was mainly contributed by increase in property, plant and equipment (\$5.9 million). It was offset by a decrease in investments in associate companies due to dividend declared during 2QFY18.

The Group's current assets increased by 6.5% (or \$2.9 million) as compared to FY17 mainly due to increases in inventories, amount due from an associate and other receivables. Inventories increased by \$3.3 million as compared to FY17 mainly due to planned building up of inventories. Amount due from an associate increased by \$3.1 million due to dividend receivable from the associate. Other receivables increased by \$1.7 million mainly attributed to higher value-added-tax recoverable in subsidiaries in China. The increases were partially offset by decreases in trade receivables, other current assets and cash and bank balances. Trade receivables decreased by \$3.8 million mainly due to lower sales recorded in 2QFY18 as compared to fourth quarter in FY17 (4QFY17). Other current assets decreased by \$0.9 million mainly due to lower balance of advance payments made for the acquisitions of plant and machineries. The lower balance was a result of the reclassification to property, plant and equipment upon full payments. At the Company level, other receivables increased by \$7.7 million mainly due to increase in inter-companies receivables.

The Group's current liabilities increased by 69.1% (or \$14.8 million) as compared to FY17 mainly due to increases in trade and other payables and interest-bearing loans and borrowings. Trade payables increased by \$3.3 million mainly due to longer credit terms granted by vendors. Other payables increased by \$4.7 million mainly due to more deposits received from customers and higher balance of payables on purchase of machinery. Higher interest-bearing loans and borrowings (current portion) was mainly due to additional financings obtained during 1HFY18.

The Group's non-current liabilities decreased by 15.4% (or \$1.0 million) as compared to FY17 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 flows**

During 2QFY18, the Group has net cash flow used in operating activities of \$124K as contrast with \$2.3 million generated during 2QFY17. The net cash flows used in operating activities was mainly attributed to negative operating cash flows before changes in working capital and increases in inventories and other receivables and prepayments. It was partially offset by decrease in trade receivables and increases in trade and other payables.

In investing activities, the Group used \$3.1 million during 2QFY18 as compared to \$5.4 million used in 2QFY17. The net cash used was mainly for purchases of property, plant and equipment.

During 2QFY18, the Group has net cash flow generated from financing activities of \$3.9 million as compared to \$3.7 million generated in 2QFY17. The net cash flow generated in 2QFY18 was contributed by proceeds from interest-bearing loans and borrowings after offsetting the repayment of interest-bearing loans and borrowings and dividends paid on ordinary shares.

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

As mentioned in the 1QFY18 Results Announcement, turnover in HDD components segment will continue to be affected during the transitional period of phasing in the manufacturing of Baseplates which is expected to end by 3QFY18. The Group has made a loss for 2QFY18 also due to the write-off of Baseplates that were damaged by heavy rainstorm during Typhoon Hato (as mentioned in our announcement on 31 August 2017). In addition, customer's tightened visual requirement specifications has led to extra sorting and reworking process costs and Baseplates that could not meet the tightened visual requirement specifications were written-off.

The Company has made a profit guidance announcement in this regard on 27 September 2017.

### **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**

Turnover in the HDD components segment will continue to be affected during the transitional period of phasing in the manufacturing of Baseplates. The transitional period is expected to end by 3QFY18. The Group has negotiated a higher selling price for Baseplates. The price increase was effective from 1 September 2017.

Precision Metal Stamping components segment is expected to do well.

### **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?

Yes.

Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	0.3 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**

No dividends have been declared/recommended for the financial period ended 31 August 2017.

**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 second quarter ended 31 August 2017 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

9 October 2017