



Financial Statements And Related Announcement
For Third Quarter Financial Period Ended 30 Nov 2013

CHEUNG WOH 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 2013.

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) % |
|---|-------|-------------------|---------------------|------------------------------|----------------------|------------------------|------------------------------|
| | | 3QFY14 S\$'000 | 3QFY13 * S\$'000 | | 3QYTDFY14 S\$'000 | 3QYTDFY13 * S\$'000 | |
| Turnover | | 16,124 | 14,174 | 13.8 | 46,265 | 47,977 | (3.6) |
| Cost of sales | | (14,181) | (12,949) | 9.5 | (41,418) | (42,740) | (3.1) |
| Gross profit | | 1,943 | 1,225 | 58.6 | 4,847 | 5,237 | (7.4) |
| Other operating income | a | 1,310 | 1,712 | (23.5) | 3,124 | 3,194 | (2.2) |
| Distribution and selling expenses | | (503) | (616) | (18.3) | (1,831) | (2,113) | (13.3) |
| General and administrative expenses | | (1,840) | (2,108) | (12.7) | (6,921) | (6,323) | 9.5 |
| Finance costs | | (44) | (125) | (64.8) | (156) | (457) | (65.9) |
| Share of results of associate companies | | 864 | 366 | 136.1 | 2,587 | 1,615 | 60.2 |
| Profit before taxation | b | 1,730 | 454 | 281.1 | 1,650 | 1,153 | 43.1 |
| Income tax expense | c | (188) | (317) | (40.7) | 12 | (422) | n.m. |
| Profit for the financial period | | 1,542 | 137 | 1,025.5 | 1,662 | 731 | 127.4 |
| Other comprehensive income: | | | | | | | |
| Foreign currency translation (loss)/ gain | | (1,066) | (896) | | 1,640 | (1,702) | |
| Total comprehensive income for the financial period | | 476 | (759) | | 3,302 | (971) | |
| Profit/ (loss) attributable to: | | | | | | | |
| Equity owners of the Company | | 1,555 | (289) | | 1,696 | 302 | |
| Non-controlling interests | | (13) | 426 | | (34) | 429 | |
| | | 1,542 | 137 | | 1,662 | 731 | |
| Total comprehensive income attributable to: | | | | | | | |
| Equity owners of the Company | | 509 | (731) | | 3,324 | (926) | |
| Non-controlling interests | | (33) | (28) | | (22) | (45) | |
| | | 476 | (759) | | 3,302 | (971) | |
| Earnings per share (cents) | | | | | | | |
| Basic and diluted | | 0.51 | (0.10) | | 0.56 | 0.10 | |

n.m. - not meaningful

* The 3QFY13 & 3QYTDFY13 financial results of the Group have included that of Suzhou Tysan Steel Co., Ltd., which was disposed off in the third quarter of FY2013.

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 | | |
|--------------|---|---------------------|----------------------|------------------------|-------|
| | 3QFY14 S\$'000 | 3QFY13 * S\$'000 | 3QYTDFY14 S\$'000 | 3QYTDFY13 * S\$'000 | |
| a | The Group's other operating income included the following: | | | | |
| | Sales of scrap metal | 912 | 554 | 2,421 | 2,365 |
| | Gain on disposal of property, plant and equipment | 330 | - | 347 | - |
| | Sundry income | 44 | 210 | 300 | 350 |
| | Rental income | 15 | - | 15 | - |
| | Interest income | 9 | 20 | 41 | 93 |
| | Foreign exchange gain | - | 573 | - | - |
| | Gain on disposal of equity interest in an associate company | - | 355 | - | 355 |
| | Fair value gain on derivative financial instruments at fair value through profit or loss, net | - | - | - | 31 |
| b | The Group's profit before taxation is arrived at after charging/(crediting): | | | | |
| | Amortisation and depreciation | 1,838 | 1,832 | 5,471 | 5,648 |
| | Foreign exchange loss | 173 | - | 1,440 | 205 |
| | Interest expense on interest-bearing loans and borrowings | 44 | 125 | 156 | 457 |
| | Write down of inventories | 19 | 11 | 19 | 59 |
| | Loss on disposal of a subsidiary company | - | 475 | - | 475 |
| | Allowance for impairment on trade receivables | - | 4 | - | 110 |
| | Retrenchment benefits | - | - | 731 | - |
| | (Write-back of)/ Allowance for inventories obsolescence | (153) | (3) | (152) | 17 |
| | (Gain)/Loss on disposal of property, plant and equipment | - | (8) | - | 397 |
| | Loss on derivatives | - | - | - | 113 |
| c | The Group's income tax expense have been adjusted for: | | | | |
| | (Over)/ under provision in respect of prior years | (4) | 361 | (4) | 361 |

* The 3QFY13 & 3QYTDFY13 financial results of the Group have included that of Suzhou Tysan Steel Co., Ltd, which was disposed off in the third quarter of FY2013.

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 | |
|---|----------------|----------------|---------------|---------------|
| | 30.11.2013 | 28.2.2013 | 30.11.2013 | 28.2.2013 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 48,233 | 50,568 | 3,559 | 5,404 |
| Investment property | 1,301 | - | 1,301 | - |
| Intangible assets | 80 | 85 | 70 | 74 |
| Investments in subsidiary companies | - | - | 46,005 | 46,005 |
| Investments in associate companies | 15,479 | 12,880 | 15,479 | 10,256 |
| Investment in a quoted equity | 1 | 1 | - | - |
| | 65,094 | 63,534 | 66,414 | 61,739 |
| Current assets | | | | |
| Inventories | 10,298 | 8,603 | 442 | 424 |
| Trade receivables | 12,696 | 10,583 | 3,143 | 2,058 |
| Amounts due from associate companies | 5,658 | 4,455 | 315 | - |
| Other receivables | 2,253 | 1,902 | 1,709 | 260 |
| Prepayments | 2,702 | 341 | 29 | 32 |
| Cash and bank balances | 8,383 | 16,357 | 3,100 | 10,689 |
| | 41,990 | 42,241 | 8,738 | 13,463 |
| Total assets | 107,084 | 105,775 | 75,152 | 75,202 |
| EQUITY AND LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade payables | 4,950 | 3,323 | 3,598 | 539 |
| Other payables | 3,778 | 2,974 | 808 | 6,171 |
| Amount due to an associate company | 235 | 168 | - | - |
| Interest-bearing loans and borrowings | 3,690 | 7,961 | - | 1,855 |
| Income tax payable | 24 | 52 | - | - |
| | 12,677 | 14,478 | 4,406 | 8,565 |
| Net current assets | 29,313 | 27,763 | 4,332 | 4,898 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 2,816 | 2,981 | 97 | 236 |
| | 2,816 | 2,981 | 97 | 236 |
| Total liabilities | 15,493 | 17,459 | 4,503 | 8,801 |
| Net assets | 91,591 | 88,316 | 70,649 | 66,401 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 50,200 | 50,200 | 50,200 | 50,200 |
| Treasury shares | (1,923) | (1,896) | (1,923) | (1,896) |
| Revenue reserve | 48,416 | 46,720 | 22,372 | 18,097 |
| Statutory reserve | 707 | 707 | - | - |
| Foreign currency translation reserve | (5,856) | (7,484) | - | - |
| | 91,544 | 88,247 | 70,649 | 66,401 |
| Non-controlling interests | 47 | 69 | - | - |
| Total equity | 91,591 | 88,316 | 70,649 | 66,401 |
| Total equity and liabilities | 107,084 | 105,775 | 75,152 | 75,202 |

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 30.11.2013 | | As at 28.02.2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 3,690 | - | 6,106 | 1,855 |

B) Amount repayable after one year

| As at 30.11.2013 | | As at 28.02.2013 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| - | - | - | - |

C) Details of any collateral

- i) Certain bank borrowings of the Group and the Company are unsecured and the finance lease liabilities are secured over the leased items; and
- ii) The bank borrowings of certain subsidiary companies are secured by a legal mortgage over the subsidiary companies' properties, a fixed charge over certain of its machineries and corporate guarantee from the holding 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 | |
|---|-------------------|---------------------|---------------------|-----------------------|
| | 3QFY14 S\$'000 | 3QFY13 * S\$'000 | 3QYTFY14 S\$'000 | 3QYTFY13 * S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before taxation | 1,730 | 454 | 1,650 | 1,153 |
| Adjustments for: | | | | |
| Amortisation and depreciation | 1,838 | 1,832 | 5,471 | 5,648 |
| Interest expense | 44 | 125 | 156 | 457 |
| Write down of inventories | 19 | 11 | 19 | 59 |
| Share of results of associate companies | (864) | (366) | (2,587) | (1,615) |
| (Gain)/ Loss on disposal of property, plant and equipment | (330) | (8) | (347) | 397 |
| (Write-back of)/ Allowance for inventories obsolescence | (153) | (3) | (152) | 17 |
| Unrealised exchange (gain)/ loss | (99) | (663) | 903 | (340) |
| Interest income | (9) | (20) | (41) | (93) |
| Loss on disposal of a subsidiary company | - | 475 | - | 475 |
| Allowance for impairment on trade receivables | - | 4 | - | 110 |
| Gain on disposal of equity interest in an associate company | - | (355) | - | (355) |
| Fair value gain on derivative financial instruments at fair value through profit or loss, net | - | - | - | (31) |
| Operating cash flows before changes in working capital | 2,176 | 1,486 | 5,072 | 5,882 |
| (Increase)/decrease in: | | | | |
| Inventories | 148 | 264 | (1,562) | (402) |
| Trade receivables | (271) | (3,763) | (2,145) | (3,852) |
| Amount due from associate companies | (220) | (1,301) | (1,202) | 1,027 |
| Other receivables and prepayments | (582) | 311 | (2,723) | (263) |
| (Decrease)/increase in: | | | | |
| Trade payables | (62) | (856) | 1,625 | 393 |
| Other payables | 117 | 3 | 804 | (228) |
| Amount due to an associate company | (1,274) | 632 | 67 | - |
| Exchange differences arising from consolidation | (379) | (284) | 183 | (208) |
| Cash flow (used in)/ generated from operations | (347) | (3,508) | 119 | 2,349 |
| Interest received | 9 | 20 | 41 | 93 |
| Interest paid | (44) | (125) | (156) | (457) |
| Income tax paid | (27) | (590) | (35) | (890) |
| Net cash flow (used in)/ generated from operating activities | (409) | (4,203) | (31) | 1,095 |

* The 3QFY13 & 3QYTFY13 financial results of the Group have included that of Suzhou Tysan Steel Co., Ltd., which was disposed off in the third quarter of FY2013.

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 | |
|---|----------------|----------------|----------------|----------------|
| | 3QFY14 | 3QFY13 * | 3QYTDFY14 | 3QYTDFY13 * |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment | (1,646) | (1,376) | (4,072) | (3,039) |
| Proceeds from disposal of property, plant and equipment | 363 | - | 492 | 418 |
| Investment in an associate company | - | - | (12) | - |
| Disposal of subsidiary, net of cash disposed of (Note A) | - | 7,395 | - | 7,395 |
| Proceeds from disposal of equity interests in an associate company | - | 586 | - | 586 |
| Net cash flow (used in)/ generated from investing activities | (1,283) | 6,605 | (3,592) | 5,360 |
| Cash flow from financing activities | | | | |
| Repayment of interest-bearing loans and borrowings | (803) | (1,126) | (4,357) | (11,288) |
| Repayment of finance lease liability | - | - | - | (53) |
| Decrease/ (Increase) in cash and cash equivalents subject to restrictions | - | 105 | (12) | 98 |
| Dividends paid on ordinary shares | - | (153) | - | (3,515) |
| Proceeds from interest-bearing loans and borrowings | - | - | - | 5,511 |
| Shares purchased and held as treasury shares | - | (55) | (27) | (55) |
| Net cash flow used in financing activities | (803) | (1,229) | (4,396) | (9,302) |
| Net (decrease)/ increase in cash and cash equivalents | (2,495) | 1,173 | (8,019) | (2,847) |
| Cash and cash equivalents at beginning of financial period | 10,825 | 15,165 | 16,213 | 19,386 |
| Effect of exchange rate changes on cash and cash equivalents | (100) | (135) | 36 | (336) |
| Cash and cash equivalents at end of financial period (Note B) | 8,230 | 16,203 | 8,230 | 16,203 |

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)

Note A

Disposal of Suzhou Tysan Steel Co., Ltd. (TS)

On 10 October 2012, a subsidiary of the Company, Tysan Corporation Pte Ltd (TC) sold its 100% equity interest in TS to the associate company of the Company, Tysan Precision Engineering (Suzhou) Co., Ltd for a cash consideration of approximately US\$6.82 million (equivalent to \$8.52 million).

Following the completion of disposal of equity interest of 100%, the Group recorded a loss on disposal of a subsidiary of \$475,000 and TS became an associate company of the Group.

The effects of the disposal of TS on the financial results of the Group for the financial period up to the date of disposal are as follows:

| | \$'000 |
|---|---------------------|
| Turnover | 8,372 |
| Cost of sales | (7,917) |
| Gross profit | <u>455</u> |
| Other operating income | 134 |
| Distribution and selling expenses | (85) |
| General and administrative expenses | (232) |
| Finance costs | (198) |
| Profit before taxation | <u>74</u> |
| Income tax expense | (330) |
| Increase in Group loss attributable to shareholders | <u><u>(256)</u></u> |

The effects of the disposal of TS on the financial position of the Group as at 10 October 2012 are as follows:

| | \$'000 |
|---|---------------------|
| Property, plant and equipment | 2,072 |
| Trade and other receivables | 6,006 |
| Inventories | 2,298 |
| Prepayments | 21 |
| Cash and cash equivalents | 897 |
| Total assets | <u>11,294</u> |
| Trade and other payables | 701 |
| Interest-bearing loans and borrowings | 1,558 |
| Total liabilities | <u>2,259</u> |
| Fair value of total net assets | 9,035 |
| Non-controlling interests | (268) |
| Loss on disposal to the Group | (475) |
| Net assets disposed of | <u>8,292</u> |
| Less: Cash and cash equivalents of a subsidiary disposed of | (897) |
| Net cash inflow on disposal | <u><u>7,395</u></u> |

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)

Note B

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

| | GROUP | |
|--|---------------------|----------------------|
| | 30.11.2013 | 30.11.2012 * |
| | S\$'000 | S\$'000 |
| Cash and bank balances | 8,230 | 9,703 |
| Fixed deposits | 153 | 6,648 |
| | <u>8,383</u> | <u>16,351</u> |
| Less: | | |
| Cash and cash equivalents subject to restriction ** | (153) | (148) |
| Cash and cash equivalents at end of financial period | <u><u>8,230</u></u> | <u><u>16,203</u></u> |

* The 3QFY13 & 3QYTD FY13 financial results of the Group have included that of Suzhou Tysan Steel Co., Ltd., which was disposed off in the third quarter of FY2013.

** 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 other reserves S\$'000 | Total equity attributable to equity owners of the Company S\$'000 | Non-controlling interests S\$'000 | Total equity S\$'000 |
|---|--|----------------------------|----------------------------|------------------------------|---|---------------------------------|--|--------------------------------------|-------------------------|
| | Share capital S\$'000 | Treasury shares S\$'000 | Revenue reserve S\$'000 | Statutory reserve S\$'000 | Foreign currency translation reserve S\$'000 | | | | |
| GROUP | | | | | | | | | |
| Balance as at 28.02.2013 | 50,200 | (1,896) | 46,720 | 707 | (7,484) | (6,777) | 88,247 | 69 | 88,316 |
| Total comprehensive income for the financial period | - | - | 1,696 | - | 1,628 | 1,628 | 3,324 | (22) | 3,302 |
| Purchase of treasury shares | - | (27) | - | - | - | - | (27) | - | (27) |
| Balance as at 30.11.2013 | 50,200 | (1,923) | 48,416 | 707 | (5,856) | (5,149) | 91,544 | 47 | 91,591 |
| Balance as at 28.02.2012 | 50,200 | (1,338) | 51,675 | 1,163 | (7,418) | (6,255) | 94,282 | 363 | 94,645 |
| Total comprehensive income for the financial period | - | - | 302 | - | (1,228) | (1,228) | (926) | (45) | (971) |
| Disposal of a subsidiary company | - | - | 493 | (493) | 741 | 248 | 741 | (268) | 473 |
| Purchase of treasury shares | - | (55) | - | - | - | - | (55) | - | (55) |
| Dividends paid on ordinary shares | - | - | (3,515) | - | - | - | (3,515) | - | (3,515) |
| Balance as at 30.11.2012 | 50,200 | (1,393) | 48,955 | 670 | (7,905) | (7,235) | 90,527 | 50 | 90,577 |

- 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 | Treasury shares | Revenue reserve | Total equity |
|---|---------------|-----------------|-----------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| COMPANY | | | | |
| Balance as at 28.02.2013 | 50,200 | (1,896) | 18,097 | 66,401 |
| Total comprehensive income for the financial period | - | - | 4,275 | 4,275 |
| Purchase of treasury shares | - | (27) | - | (27) |
| Balance as at 30.11.2013 | 50,200 | (1,923) | 22,372 | 70,649 |
| Balance as at 28.02.2012 | 50,200 | (1,338) | 20,571 | 69,433 |
| Total comprehensive income for the financial period | - | - | (592) | (592) |
| Purchase of treasury shares | - | (55) | - | (55) |
| Dividends paid on ordinary shares | - | - | (3,515) | (3,515) |
| Balance as at 30.11.2012 | 50,200 | (1,393) | 16,464 | 65,271 |

- 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

Treasury shares

The changes in the Company's Treasury shares are set out as below.

| | 3QFY14 | | 3QFY13 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of shares ('000) | (S\$'000) | No. of shares ('000) | (S\$'000) |
| At 1 Sep | 10,873 | 1,923 | 7,423 | 1,338 |
| Purchase during 3Q ended 30 Nov | - | - | 309 | 55 |
| At 30 November | <u>10,873</u> | <u>1,923</u> | <u>7,732</u> | <u>1,393</u> |

The number of treasury shares held by the Company represents 3.598% of the total number of issued shares (excluding treasury shares) of the Company as at 30 November 2013.

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.

| | 30.11.2013 | 28.02.2013 |
|---|-----------------------|-----------------------|
| | 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>(10,682)</u> |
| Issued shares excluding treasury shares | <u><u>302,212</u></u> | <u><u>302,403</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 2013 except that the Group has adopted new Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 March 2013.

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 new FRS had no material effect on the Group's accounting policies and had no significant impact on the Group's 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

| | GROUP | | | |
|--|--------------|---------|-----------|-----------|
| | 3QFY14 | 3QFY13 | 3QYTDFY14 | 3QYTDFY13 |
| Profit/ (loss) attributable to shareholders (\$'000) | 1,555 | (289) | 1,696 | 302 |
| Weighted average number of shares used to compute basic and diluted earnings per share ('000) (Note a) | 302,256 | 305,559 | 302,256 | 305,559 |
| Earnings per share (cents) - basic and diluted | 0.51 | (0.10) | 0.56 | 0.10 |

Note a: 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 | |
|--|--------------|-----------|----------------|-----------|
| | 30.11.2013 | 28.2.2013 | 30.11.2013 | 28.2.2013 |
| Net asset value per ordinary share based on share capital at the end of the period (cents) | 30.29 | 29.18 | 23.38 | 21.96 |

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.2.2013: 302,403,000) 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

For 3QFY14, the statement of comprehensive income of Suzhou Tysan Steel Co., Ltd (TS) has not been consolidated to that of the Group as it was disposed off in the third quarter of FY2013. For a more meaningful analysis of financial performance of the Group for both financial periods ended 30 Nov, 3QFY13 and 3QYTDFY13 statement of comprehensive income have been adjusted to reflect the Group's consolidated financial performance without TS:

8 A review of the performance of the group (cont'd)
Consolidated statement of comprehensive income (cont'd)

| | GROUP | | | Increase/ (decrease) | GROUP | | |
|---|---------------|----------|--------|-------------------------|---------------|----------|---|
| | (Excluded TS) | | % | | (Excluded TS) | | % |
| | Proforma | Proforma | | | Proforma | Proforma | |
| | 3QFY14 | 3QFY13 | | 3QYTFY14 | 3QYTFY13 | | |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | | |
| Turnover | 16,124 | 12,746 | 26.5 | 46,265 | 43,638 | 6.0 | |
| Cost of sales | (14,181) | (11,578) | 22.5 | (41,418) | (38,855) | 6.6 | |
| Gross profit | 1,943 | 1,168 | 66.4 | 4,847 | 4,783 | 1.3 | |
| Other operating income | 1,310 | 1,094 | 19.7 | 3,124 | 3,059 | 2.1 | |
| Distribution and selling expenses | (570) | (597) | (4.5) | (1,831) | (2,028) | (9.7) | |
| General and administrative expenses | (1,773) | (1,452) | 22.1 | (6,921) | (6,091) | 13.6 | |
| Finance costs | (44) | (91) | (51.6) | (156) | (259) | (39.8) | |
| | 866 | 122 | 609.8 | (937) | (536) | 74.8 | |
| Share of results of associate companies | 864 | 366 | 136.1 | 2,587 | 1,615 | 60.2 | |
| Profit before taxation | 1,730 | 488 | | 1,650 | 1,079 | | |

The Group has reported a turnover of \$16.1 million for the third quarter ended 30 November 2013 (3QFY14), an increase of 26.5% as compared to \$12.7 million in the corresponding financial period in FY2013 (3QFY13). Sales in HDD and Precision Metal Stamping components segments increased by 26.8% and 25.5% respectively as compared to 3QFY13. The increases were mainly contributed by higher demand from customers.

The Group's cost of sales (COS) increased by 22.5% (approximately \$2.6 million) as compared to 3QFY13. The increase in COS was not in proportion with the increase in turnover mainly due to better gross profit margin for both business segments.

Other operating income increased by 19.7% (approximately \$0.2 million) as compared to 3QFY13 mainly due to increase in sales of scrap metal and gain on disposal of property, plant and equipment. The increase was partially offset by foreign exchange gain and gain on disposal of equity interest in an associate company which occurred in 3QFY13.

Distribution and selling expenses decreased by 4.5% (approximately \$27,000) as compared to 3QFY13. General and administrative expenses increased by 22.1% (approximately \$0.3 million) as compared to 3QFY13 mainly due to increase in foreign exchange loss (approximately \$0.2 million) in 3QFY14.

Finance cost decreased by 51.6% (approximately \$47,000) in 3QFY14 mainly due to lower balance of interest-bearing loans and borrowings.

Share of results of associate companies relates mainly to the Group's interest in the profit after taxation of Tysan Precision Engineering (Suzhou) Co., Ltd.

8 A review of the performance of the group (cont'd)

Statement of financial position

The Group's non-current assets increased by 2.5% (approximately \$1.5 million) as compared to 28 February 2013 (FY13) mainly contributed by increase in investments in associate companies due to share of profit after tax derived for the three quarters financial period ended 30 November 2013 (3QYTDFY14) and additional investment in an associate company (Mega Mechanism Sdn Bhd). The property, plant and equipment decreased by 4.6% (approximately \$2.3 million) mainly due to reclassification of leasehold land and property to investment property and depreciation expenses charged on property, plant and equipment during 3QYTDFY14. The reclassification was made in accordance to FRS 40 Investment Property after the Company sublet part of the leasehold building. The Company's investments in associate companies increased by 50.9% (approximately \$5.2 million) mainly due to capitalisation of dividends declared by an associate company.

The Group's current assets decreased by 0.6% (approximately \$0.3 million) mainly due to decrease in cash and bank balances. The decrease was partially offset by increases in inventories, trade receivables, amounts due from associate companies, other receivables and prepayments. The prepayments of the Group increased by approximately \$2.4 million as compared to FY13 mainly due to advanced payments made for factory building extension and purchase of machinery. Other receivables of the Company have increased due to increases in the inter-companies receivables. Cash and bank balances of the Company have decreased mainly due to settlements of interest-bearing loans and borrowings.

The Group's current liabilities decreased by 12.4% (approximately \$1.8 million) as compared to FY13. The decrease was mainly due to decrease in interest-bearing loans and borrowings. The decrease was partially offset by increases in trade and other payables and amount due to an associate company. Changes in trade and other payables of the Company were mainly due to changes in amounts payable to inter-companies.

The Group's non-current liabilities decreased by 5.5% (approximately \$0.2 million) as compared to FY13 due to decrease in deferred tax liabilities.

Consolidated statement of cash flows

During 3QFY14, the Group has net cash flows used in operations of \$0.4 million as compared to \$4.2 million used in 3QFY13. The net cash flows used in operations was mainly contributed by increases in other receivables and prepayments and decrease in amount due to an associate company.

In investing activities, the Group used \$1.3 million during 3QFY14 as compared to \$6.6 million generated in 3QFY13. The amounts were used mainly for purchases of property, plant and equipment. It was partially offset by proceeds from disposal of property, plant and equipment. Higher cash flows generated from investing activities in 3QFY13 was mainly due to disposal of subsidiary, net of cash disposed of.

During 3QFY14, the Group used \$0.8 million in financing activities as compared to \$1.2 million used in 3QFY13. The net cash used was mainly on 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 second quarter ended 31 Aug 2013.

- 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**

The HDD components segment expects improving demands from customers. The Precision Metal Stamping components segment is expected to do well.

Barring any unforeseen circumstances, the Board of Directors expects the Group's performance to improve in the financial year ending 28 February 2014.

- 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**

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.

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 result of Cheung Woh Technologies Ltd for the third quarter ended 30 November 2013 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

13 January 2014