



Financial Statements And Related Announcement
For Financial Year Ended 28 February 2017

CHEUNG WOH TECHNOLOGIES LTD

Co. Reg. No. 197201205Z

Full Year 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 year ended 28 February 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			GROUP		
		4QFY17	4QFY16	Increase/ (decrease)	For the year ended		Increase/ (decrease)
		S\$'000	S\$'000	%	2017	2016	%
					S\$'000	S\$'000	
Turnover		21,087	25,201	(16.3)	84,118	93,189	(9.7)
Cost of sales		(20,955)	(20,322)	3.1	(72,883)	(73,121)	(0.3)
Gross profit		132	4,879	(97.3)	11,235	20,068	(44.0)
Other operating income	a	738	781	(5.5)	3,728	4,342	(14.1)
Distribution and selling expenses		(804)	(890)	(9.7)	(3,155)	(3,205)	(1.6)
General and administrative expenses		(1,705)	(2,788)	(38.8)	(9,195)	(11,698)	(21.4)
Finance costs		(187)	(61)	206.6	(529)	(230)	130.0
Share of results of associate companies		490	(309)	n.m.	2,430	196	1,139.8
(Loss)/profit before taxation	b	(1,336)	1,612	n.m.	4,514	9,473	(52.3)
Income tax (expense)/credit	c	(425)	990	n.m.	(916)	736	n.m.
(Loss)/profit for the financial year		(1,761)	2,602	n.m.	3,598	10,209	(64.8)
Other comprehensive income:							
Foreign currency translation loss		(1,066)	(1,544)		(2,980)	(1,214)	
Total comprehensive income for the financial year		(2,827)	1,058		618	8,995	
(Loss)/profit attributable to:							
Equity owners of the Company		(1,761)	2,602		3,598	10,213	
Non-controlling interests		-	-		-	(4)	
		(1,761)	2,602		3,598	10,209	
Total comprehensive income attributable to:							
Equity owners of the Company		(2,827)	1,058		618	8,999	
Non-controlling interests		-	-		-	(4)	
		(2,827)	1,058		618	8,995	
Earnings per share (cents)							
Basic and diluted		(0.58)	0.86		1.19	3.38	

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		
	4QFY17	4QFY16	For the year ended		
	S\$'000	S\$'000	2017	2016	
			S\$'000	S\$'000	
a	The Group's other operating income included the following:				
	Sales of scrap metal	687	622	2,964	3,438
	Interest income	22	2	43	31
	Write-back of doubtful debts	18	-	110	-
	Sundry income	11	5	267	255
	Rental income	-	152	344	604
	Income from insurance claim	-	-	-	14
b	The Group's profit before taxation is arrived at after charging/(crediting):				
	Amortisation and depreciation	2,637	2,116	9,091	8,338
	Inventories written-off	981	-	1,215	-
	Social insurance and housing fund	392	415	1,637	1,715
	Interest expense on interest-bearing loans and borrowings	187	61	529	230
	Write down of inventories	76	-	76	-
	Loss on disposal of property, plant and equipment	71	59	59	430
	Foreign exchange loss	56	886	920	2,779
	Write-off of property, plant and equipment	4	-	10	-
	Allowance for/(write-back of) inventories obsolescence	2	127	(100)	145

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	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	70,546	62,609	1,570	1,703
Investment property	2,591	2,657	2,591	2,657
Intangible assets	117	68	109	59
Investments in subsidiary companies	-	-	44,397	44,397
Investments in associate companies	18,133	16,687	15,662	15,662
Investment in a quoted equity	-	1	-	-
Deferred tax assets	199	419	148	162
	91,586	82,441	64,477	64,640
Current assets				
Inventories	11,954	12,002	-	-
Trade receivables	16,434	21,131	-	-
Amount due from an associate company	93	5	-	-
Other receivables	2,339	2,505	2,137	7,597
Other current assets	3,276	5,357	173	166
Cash and bank balances	10,745	14,631	920	4,815
	44,841	55,631	3,230	12,578
Total assets	136,427	138,072	67,707	77,218
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	5,632	6,683	65	69
Other payables	5,141	6,668	561	2,728
Amount due to an associate company	244	414	-	-
Interest-bearing loans and borrowings	10,231	10,531	1,784	6,999
Income tax payable	142	8	-	-
	21,390	24,304	2,410	9,796
Net current assets	23,451	31,327	820	2,782
Non-current liabilities				
Interest-bearing loans and borrowings	4,063	632	-	-
Deferred tax liabilities	2,273	1,880	-	-
	6,336	2,512	-	-
Total liabilities	27,726	26,816	2,410	9,796
Net assets	108,701	111,256	65,297	67,422
Equity attributable to owners of the Company				
Share capital	50,200	50,200	50,200	50,200
Treasury shares	(1,923)	(1,923)	(1,923)	(1,923)
Revenue reserve	63,887	63,511	17,020	19,145
Statutory reserve	1,219	1,170	-	-
Foreign currency translation reserve	(4,682)	(1,702)	-	-
	108,701	111,256	65,297	67,422
Total equity	108,701	111,256	65,297	67,422
Total equity and liabilities	136,427	138,072	67,707	77,218

1(b)(i) Aggregate amount of the group's borrowings and debt securities

A) Amount repayable in one year or less, or on demand #

As at 28.02.2017		As at 28.02.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
8,447	1,784	3,532	6,999

The amount of \$8,447,000 (28.02.2016: \$3,532,000) includes \$4,356,000 (28.02.2016: \$1,802,000) 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 28.02.2017		As at 28.02.2016	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
4,063	-	632	-

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.

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

	GROUP		GROUP	
	4QFY17	4QFY16	For the year ended	
	S\$'000	S\$'000	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(1,336)	1,612	4,514	9,473
Adjustments for:				
Amortisation and depreciation	2,637	2,116	9,091	8,338
Allowance for/(write-back of) inventories obsolescence	2	127	(100)	145
Inventories written-off	981	-	1,215	-
Interest expense	187	61	529	230
Write down of inventories	76	-	76	-
Unrealised exchange (gain)/loss	(5)	197	(277)	12
Share of results of associate companies	(490)	309	(2,430)	(196)
Loss on disposal of property, plant and equipment	71	59	59	430
Write-off of property, plant and equipment	4	-	10	-
Loss on struck off of a subsidiary company	-	12	-	12
Interest income	(22)	(2)	(43)	(31)
Operating cash flows before changes in working capital	2,105	4,491	12,644	18,413
(Increase)/decrease in:				
Inventories	820	2,349	(1,658)	522
Trade receivables	1,210	(1,078)	3,536	(970)
Amount due from an associate company	(95)	200	(90)	(3)
Other receivables and prepayments	498	274	(325)	(240)
(Decrease)/increase in:				
Trade payables	(1,472)	(750)	57	(99)
Other payables	(2,076)	(276)	(34)	1,090
Amount due to an associate company	(111)	343	(154)	154
Cash flow generated from operations	879	5,553	13,976	18,867
Interest received	22	2	43	31
Interest paid	(187)	(61)	(529)	(230)
Income tax paid	(23)	(54)	(127)	(482)
Net cash flow generated from operating activities	691	5,440	13,363	18,186

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	
	4QFY17	4QFY16	For the year ended	
	S\$'000	S\$'000	2017	2016
			S\$'000	S\$'000
Cash flow from investing activities				
Additions to intangible assets	(55)	-	(55)	-
Purchase of property, plant and equipment #	(674)	(4,051)	(16,672)	(15,689)
Proceeds from disposal of property, plant and equipment	118	22	652	138
Advance payments made to suppliers of property, plant and equipment #	(1,035)	(1,662)	(2,151)	(4,446)
Proceeds from disposal of investment in a quoted equity	-	-	1	-
Dividend income received from an associate company	935	-	935	-
Net cash flow used in investing activities	(711)	(5,691)	(17,290)	(19,997)
Cash flow from financing activities				
Repayment of interest-bearing loans and borrowings	(4,251)	(3,100)	(16,398)	(4,699)
Decrease in cash and cash equivalents subject to restrictions	(5)	-	(5)	(4)
Dividends paid on ordinary shares	-	-	(3,173)	(4,533)
Proceeds from interest-bearing loans and borrowings	4,234	4,288	19,964	9,361
Net cash flow (used in)/ generated from financing activities	(22)	1,188	388	125
Net (decrease)/increase in cash and cash equivalents	(42)	937	(3,539)	(1,686)
Cash and cash equivalents at beginning of financial period/year	10,712	13,817	14,499	16,400
Effect of exchange rate changes on cash and cash equivalents	(55)	(255)	(345)	(215)
Cash and cash equivalents at end of financial period/year	10,615	14,499	10,615	14,499

The comparative figures have been reclassified to conform to the current period/year's presentation and to better reflect their classification in consolidated statement of cash flows.

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

	GROUP	
	2017	2016
	S\$'000	S\$'000
Cash and bank balances	10,615	14,499
Fixed deposits	130	132
	<u>10,745</u>	<u>14,631</u>
Less:		
Cash and cash equivalents subject to restriction *	(130)	(132)
Cash and cash equivalents at end of financial period	<u>10,615</u>	<u>14,499</u>

* This relates to fixed deposits pledged for banker's facilities granted to a subsidiary company.

The following table summarises the reclassification made in the comparative figures.

	GROUP		GROUP	
	4QFY16		For the year ended 2016	
	As announced	As restated	As announced	As restated
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flow from investing activities				
Purchase of property, plant and equipment #	(4,467)	(4,051)	(19,893)	(15,689)
Proceeds from disposal of property, plant and equipment	22	22	138	138
Advance payments made to suppliers of property, plant and equipment #	(1,246)	(1,662)	(242)	(4,446)
Net cash flow used in investing activities	(5,691)	(5,691)	(19,997)	(19,997)

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	Non-controlling interests	Total equity
	Share capital	Treasury shares	Revenue reserve	Statutory reserve	Foreign currency translation reserve	Total other reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP									
Balance as at 28.02.2016	50,200	(1,923)	63,511	1,170	(1,702)	(532)	111,256	-	111,256
Total comprehensive income for the financial year	-	-	3,598	-	(2,980)	(2,980)	618	-	618
Transfer from revenue reserve to statutory reserve	-	-	(49)	49	-	49	-	-	-
Dividends paid on ordinary shares	-	-	(3,173)	-	-	-	(3,173)	-	(3,173)
Balance as at 28.02.2017	50,200	(1,923)	63,887	1,219	(4,682)	(3,463)	108,701	-	108,701
Balance as at 28.02.2015	50,200	(1,923)	57,878	1,123	(488)	635	106,790	4	106,794
Total comprehensive income for the financial year	-	-	10,213	-	(1,214)	(1,214)	8,999	(4)	8,995
Transfer from revenue reserve to statutory reserve	-	-	(47)	47	-	47	-	-	-
Dividends paid on ordinary shares	-	-	(4,533)	-	-	-	(4,533)	-	(4,533)
Balance as at 28.02.2016	50,200	(1,923)	63,511	1,170	(1,702)	(532)	111,256	-	111,256

- 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 28.02.2016	50,200	(1,923)	19,145	67,422
Total comprehensive income for the financial year	-	-	1,048	1,048
Dividends paid on ordinary shares	-	-	(3,173)	(3,173)
Balance as at 28.02.2017	50,200	(1,923)	17,020	65,297
Balance as at 28.02.2015	50,200	(1,923)	21,494	69,771
Total comprehensive income for the financial year	-	-	2,184	2,184
Dividends paid on ordinary shares	-	-	(4,533)	(4,533)
Balance as at 28.02.2016	50,200	(1,923)	19,145	67,422

- 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>	
	2017 and 2016	
	No. of shares (('000))	(S\$'000)
Ordinary shares - Issued and fully paid		
Balance as at 28 February	<u>313,085</u>	<u>50,200</u>

There was no change in the Company's share capital from 28 February 2016 to 28 February 2017.

As at 28 February 2017, the Company held 10,873,000 of its issued shares as Treasury Shares (28 February 2016: 10,873,000).

The Company does not have any outstanding options or convertibles as at 28 February 2017 (28 February 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.

	28.02.2017	28.02.2016
	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 2016 except that the Group has adopted new Financial Reporting Standards ("FRS") which became effective for periods beginning on or after 1 January 2016/1 March 2016.

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**

	GROUP			
	4QFY17	4QFY16	2017	2016
(Loss)/profit attributable to shareholders (\$'000)	(1,761)	2,602	3,598	10,213
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	(0.58)	0.86	1.19	3.38

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	
	2017	2016	2017	2016
Net asset value per ordinary share based on share capital at the end of the period (cents)	35.97	36.81	21.61	22.31

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.02.2016: 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 \$84.1 million for the financial year ended 28 February 2017 (FY2017), a decrease of 9.7% (approximately \$9.1 million) as compared to \$93.2 million in the previous financial year (FY2016). Turnover in 4QFY17 was \$21.1 million, a decrease of 16.3% (approximately \$4.1 million) as compared to \$25.2 million in 4QFY16. The lower turnover recorded in FY2017 and 4QFY17 was attributable to lower sales recorded in HDD components segment.

Cost of sales ("COS") of the Group in FY2017 decreased by 0.3% (approximately \$238K) as compared to FY2016. COS increased by 3.1% (approximately \$633K) quarter-on-quarter. COS for both FY2017 and 4QFY17 have not decreased in line with decrease in turnover due to higher materials, labour and overhead costs incurred during the financial periods. Higher costs were also attributed to abnormal high yield loss due to the writing off of defective Baseplates produced during its initial production.

As a result of the above, gross profit margin dropped as compared to previous financial periods.

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

Other operating income in FY2017 was 14.1% (approximately \$614K) lower as compared to FY2016. The decrease was mainly due to lower sales of scrap metal (\$474K) and rental income (\$260K). The decrease was partially offset by the write-back of doubtful debts (\$110K) recorded during the year. Quarter-on-quarter, other operating income decreased by 5.5% (approximately \$43K) mainly attributed to decrease in rental income (\$152K). The decrease was partially offset by an increase in sales of scrap metal (\$65K) in 4QFY17.

Distribution and selling expenses ("D&S expenses") decreased by 1.6% (approximately \$50K) as compared to FY2016. Quarter-on-quarter, D&S expenses decreased by 9.7% (approximately \$86K).

General and administrative expenses ("G&A expenses") decreased by 21.4% (approximately \$2.5 million) as compared to FY2016. The decrease was mainly attributable to decreases in foreign exchange loss (\$1.9 million) and loss on disposal of property, plant and equipment (\$371K). G&A expenses in 4QFY17 decreased by 38.8% (approximately \$1.1 million) as compared to 4QFY16 mainly attributable to decrease in foreign exchange loss (\$830K).

Finance costs increased by 130.0% (approximately \$299K) in FY2017 mainly attributable to additional interest-bearing loans and borrowings obtained during the year. Finance costs in 4QFY17 increased by 206.6% (approximately \$126K) as compared to 4QFY16 due to the same reason.

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 FY2017 and 4QFY17, TP Group has recorded higher revenue and profits. As a result, the share of results of associate companies increased substantially.

During the year, the Group has reported income tax expenses of \$916K and \$425K for FY2017 and 4QFY17 respectively. The income tax credits reported in prior financial periods were due to recognition of deferred tax assets and reversal of deferred tax liabilities.

Statement of financial position

The Group's non-current assets increased by 11.0% (approximately \$9.1 million) as compared to previous financial year ended 28 February 2016 (FY16) mainly contributed by increases in property, plant and equipment and investments in associate companies. Higher property, plant and equipment as at 28 February 2017 was attributed to purchases of plant and machineries during the year. Investments in associate companies increased by approximately \$1.4 million attributed to share of results derived from TP Group during the year (\$2.4 million). The increase was partially offset by dividends received from TP (\$935K).

The Group's current assets decreased by 19.4% (approximately \$10.8 million) mainly due to decreases in trade receivables, other current assets and cash and bank balances. Trade receivables decreased by \$4.7 million mainly due to lower sales recorded in 4QFY17 as compared to 4QFY16. Other current assets decreased by \$2.1 million mainly due to lower balance of advance payments made for the acquisition of plant and machineries. The lower balance was caused by the reclassification to property, plant and equipment upon completion of installation. At the Company level, other receivables decreased by \$5.5 million mainly due to decrease in inter-companies receivables.

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

Statement of financial position (cont'd)

The Group's current liabilities decreased by 12.0% (approximately \$2.9 million) as compared to FY2016. The decrease was mainly due to decreases in trade and other payables. Trade payables decreased by \$1.1 million mainly due to prompt payments made to suppliers as compared to previous financial year. Other payables decreased by \$1.5 million mainly due to decreases in advanced billings to customers upon completion of toolings and accrued personnel expenses. At the Company level, other payables and interest-bearing loans and borrowings decreased by \$2.2 million and \$5.2 million respectively mainly due to decreases in inter-companies payables and repayment made for interest-bearing loans and borrowings during the year.

The Group's non-current liabilities increased by \$3.8 million mainly due to increases in non-current portion of interest-bearing loans and borrowings (\$3.4 million) and deferred tax liabilities (\$393K).

Consolidated statement of cash flows

During FY2017, the Group has net cash flows generated from operating activities of \$13.4 million as compared to \$18.2 million in FY2016. Net cash flows generated from operating activities in FY2017 was mainly contributed by operating cash flows before changes in working capital and decrease in trade receivables. It was partially offset by increases in inventories and other receivables and prepayments.

In investing activities, the Group used \$17.3 million during FY2017 as compared to \$20.0 million in FY2016. Net cash used in FY2017 was mainly for the purchases of property, plant and equipment and advance payments made to suppliers of property, plant and equipment. It was partially offset by proceeds from disposal of property, plant and equipment and dividends income received from an associate company during the year.

During FY2017, the Group has net cash flows generated from financing activities of \$388K as compared to \$125K in FY2016. Net cash flows generated was mainly contributed by proceeds from interest-bearing loans and borrowings. This was partially offset by cash used in 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 3QFY2017 Results Announcement, turnover in HDD components segment will continue to be affected during the transitional period of phasing in the manufacturing of Baseplates.

The Group has made a loss for 4QFY2017 due to lower sales generated and higher cost incurred in the HDD components segment. The decrease in sales was mainly caused by drop in customers' demand for air-combs and VCM plates. In addition, machine downtime caused by machine and fixtures set up for Baseplates production during the transitional period of phasing in also contributed to lower sales. Higher costs were attributed to higher labour, materials and overhead costs and abnormal high yield loss that resulted in writing off of defective Baseplates produced during its initial production.

The Company has made a profit guidance announcement in this regard on 5 April 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 continue until 3QFY2018.

PMS components segment is expected to do well.

The Group views that the volatility in foreign exchange may pose uncertainties to our business.

11 Dividend

(a) Current Financial Period Reported On

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

Yes.

Name of dividend	Final (Recommended)
Dividend Type	Cash
Dividend Rate	0.1 cent per ordinary share
Tax Rate	Tax Exempt (One-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of dividend	Final (Recommended)
Dividend Type	Cash
Dividend Rate	0.75 cent per ordinary share
Tax Rate	Tax Exempt (One-tier)

(c) Date payable

The proposed dividend will be paid at a date to be announced.

(d) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and the Register of Members to determine the shareholders' entitlements to the proposed dividend.

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

Not applicable.

13 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business segments

	HDD Components		Precision Metal Stamping Components		Adjustments and Eliminations		Note	Consolidated financial statements	
	2017	2016	2017	2016	2017	2016		2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
Turnover:									
External sales	67,797	79,060	16,321	14,129	-	-		84,118	93,189
	<u>67,797</u>	<u>79,060</u>	<u>16,321</u>	<u>14,129</u>	<u>-</u>	<u>-</u>		<u>84,118</u>	<u>93,189</u>
Results:									
Interest income	42	24	1	7	-	-		43	31
Interest expense	(414)	(230)	(115)	-	-	-		(529)	(230)
Amortisation and depreciation	(8,672)	(7,946)	(419)	(392)	-	-		(9,091)	(8,338)
Write down of inventories	(76)	-	-	-	-	-		(76)	-
Allowance for/(write-back of) inventories obsolescence	136	(84)	(36)	(61)	-	-		100	(145)
Inventories written-off	(1,215)	-	-	-	-	-		(1,215)	-
Other non-cash (expenses)/ income	(81)	337	-	(5)	12	(762)	a	(69)	(430)
Segment (loss)/ profit before taxation	<u>(664)</u>	<u>7,005</u>	<u>2,748</u>	<u>2,272</u>	<u>2,430</u>	<u>196</u>	b	<u>4,514</u>	<u>9,473</u>
Assets:									
Additions to non-current assets	20,927	22,559	439	3,703	(366)	(6,369)	c	21,000	19,893
Segment assets	<u>157,864</u>	<u>172,707</u>	<u>18,868</u>	<u>16,641</u>	<u>(40,305)</u>	<u>(51,276)</u>	d	<u>136,427</u>	<u>138,072</u>
Segment liabilities	<u>53,339</u>	<u>62,851</u>	<u>13,534</u>	<u>12,670</u>	<u>(39,147)</u>	<u>(48,705)</u>	e	<u>27,726</u>	<u>26,816</u>

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)

(a) Business segments (cont'd)

Notes:

- a Other non-cash income/(expenses) consist gain/(loss) on disposal of property, plant and equipment.
- b The following items are added to/(deducted from) segment profit to arrive at 'profit before taxation' presented in the consolidated statement of comprehensive income:

	2017	2016
	\$'000	\$'000
Share of results of associate companies	2,430	196
	<u>2,430</u>	<u>196</u>

- c Additions to non-current assets consist of additions to property, plant and equipment.

- d The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2017	2016
	\$'000	\$'000
Investments in associate companies	18,133	16,687
Deferred tax assets	199	419
Inter-segment assets	(58,637)	(68,382)
	<u>(40,305)</u>	<u>(51,276)</u>

- e The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2017	2016
	\$'000	\$'000
Deferred tax liabilities	2,273	1,880
Inter-segment liabilities	(41,420)	(50,585)
	<u>(39,147)</u>	<u>(48,705)</u>

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (cont'd)

(b) Geographical segments

Revenue and non-current assets information based on the location of customers and assets respectively as follows:

	Turnover		Non-current assets	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Thailand	50,988	52,900	-	-
Malaysia	15,149	28,320	21,244	23,590
Singapore	4,752	49	4,418	4,582
People's Republic of China	4,640	1,754	65,921	54,264
Sultanate of Oman	3,819	-	-	-
Portugal	2,268	3,209	-	-
United States	1,287	1,032	-	-
Germany	716	1,329	-	-
Philippines	399	4,450	-	-
Others	100	146	3	5
	<u>84,118</u>	<u>93,189</u>	<u>91,586</u>	<u>82,441</u>

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Sales in HDD components segment have decreased by 14.2% (approximately \$11.3 million) as compared to the previous financial year. The decrease was mainly caused by drop in customers' demand for air-combs and VCM plates. In addition, machine downtime caused by machine and fixtures set up for Baseplates production during the transitional period of phasing in also contributed to lower sales.

HDD components segment reported a loss before taxation of \$664K, as contrast to a profit before taxation of \$7.0 million in previous financial year. The loss suffered was due to lower sales generated and higher costs incurred during the year. Higher costs were attributed to higher labour, material and overhead costs and abnormal high yield loss that resulted in writing-off of defective Baseplates produced during its initial production.

On the other hand, sales in Precision Metal Stamping components segment increased by 15.5% (approximately \$2.2 million) as compared to the previous financial year. The increase was attributable to increase in customers' demand.

Profit in Precision Metal Stamping components segment increased by 21.0% (approximately \$476K) as compared to FY2016. The increase was mainly due to higher sales generated.

16 A breakdown of sales

	GROUP		
	2017 S\$'000	2016 S\$'000	Increase/ (Decrease) %
Sales reported for the first half of the year	42,671	42,972	(0.7)
Operating profit after taxation before non-controlling interests reported for the first half year	5,095	6,039	(15.6)
Sales reported for the second half of the year	41,447	50,217	(17.5)
Operating (loss)/profit after taxation before non-controlling interests reported for the second half year	(1,497)	4,170	n.m.

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	2017 S\$'000	2016 S\$'000
Declared and paid during the financial year:		
- A final tax exempt dividend of 1.0 cent per share paid in respect of FY2015	-	3,022
- An interim tax exempt dividend of 0.5 cent per share paid in respect of FY2016	-	1,511
- A final tax exempt dividend of 0.75 cent per share paid in respect of FY2016	2,267	-
- An interim tax exempt dividend of 0.3 cent per share paid in respect of FY2017	906	-
Total	<u><u>3,173</u></u>	<u><u>4,533</u></u>
Proposed but not recognised as a liability as at 28 February:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- A final tax exempt dividend of 0.1 cent per share in respect of FY2017	302	-
- A final tax exempt dividend of 0.75 cent per share in respect of FY2016	-	2,267
Total	<u><u>302</u></u>	<u><u>2,267</u></u>

18 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.

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Law Kung Ying	59	<ol style="list-style-type: none"> 1. Brother of Law Kung Ming and Law Yu Chui, Directors and Substantial Shareholders of Cheung Woh Technologies Ltd; and 2. Son of Lee Hang Ngok, a Substantial Shareholder of Cheung Woh Technologies Ltd. 	He is the Chairman and Managing Director and he is overall responsible for the strategic development of the Group.	No change.
Law Kung Ming	61	<ol style="list-style-type: none"> 1. Brother of Law Kung Ying and Law Yu Chui, Directors and Substantial Shareholders of Cheung Woh Technologies Ltd; and 2. Son of Lee Hang Ngok, a Substantial Shareholder of Cheung Woh Technologies Ltd. 	He is the Managing Director of Cheung Woh Technologies (Malaysia) Sdn. Bhd. (CWM), a wholly-owned subsidiary of the Company. He is responsible for the sales and marketing efforts and the overall operation of CWM.	No change.
Law Yu Chui	57	<ol style="list-style-type: none"> 1. Sister of Law Kung Ying and Law Kung Ming, Directors and Substantial Shareholders of Cheung Woh Technologies Ltd; and 2. Daughter of Lee Hang Ngok, a Substantial Shareholder of Cheung Woh Technologies Ltd. 	She is the Finance and Administrative Director and she is overall responsible for the Group's finance and administrative matters.	No change.

19. Disclosure of person occupying a managerial position (cont'd)

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Law Tak Heem	33	<ol style="list-style-type: none"> 1. Son of Mr Law Kung Ying, Managing Director and Substantial Shareholder of the Company. 2. Nephew of Mr Law Kung Ming, Executive Director and Substantial Shareholder of the Company. 3. Nephew of Ms Law Yu Chui, Finance and Administrative Director and Substantial Shareholder of the Company. 4. Grandson of Mdm Lee Hang Ngok, a Substantial Shareholder of the Company. 	<p>He is an Assistant General Manager of Cheung Woh Technologies (Johor) Sdn Bhd (CWJ), a wholly-owned subsidiary of the Company. He oversees the entire operations of CWJ since 2014.</p>	No change.
Tan Hai Ting	31	<ol style="list-style-type: none"> 1. Daughter of Ms Law Yu Chui, Finance and Administrative Director and Substantial Shareholder of the Company. 2. Niece of Mr Law Kung Ying, Managing Director and Substantial Shareholder of the Company. 3. Niece of Mr Law Kung Ming, Executive Director and Substantial Shareholder of the Company. 4. Granddaughter of Mdm Lee Hang Ngok, a Substantial Shareholder of the Company. 	<p>She is Finance and Administrative Manager of Cheung Woh Technologies (Johor) Sdn Bhd (CWJ), a wholly-owned subsidiary of the Company. She oversees the accounting and administrative functions of CWJ since 2011.</p>	No change.

19. Disclosure of person occupying a managerial position (cont'd)

Name	Age	Family Relationship with any director and/or CEO and/or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Tan Hai Yin	28	<ol style="list-style-type: none"> 1. Son of Ms Law Yu Chui, Finance and Administrative Director and Substantial Shareholder of the Company. 2. Nephew of Mr Law Kung Ying, Managing Director and Substantial Shareholder of the Company. 3. Nephew of Mr Law Kung Ming, Executive Director and Substantial Shareholder of the Company. 4. Grandson of Mdm Lee Hang Ngok, a Substantial Shareholder of the Company. 	He is a Quality Manager of Cheung Woh Precision (Zhuhai) Co., Ltd. (CWI), a wholly-owned subsidiary of the Company. He oversees the quality function of CWI since 2015.	No change.

For and On behalf of the Board of Directors

Law Kung Ying
 Director

Law Yu Chui
 Director

24 April 2017