

CIRCULAR DATED 2 JANUARY 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Cheung Woh Technologies Ltd (the "**Company**"), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



(Company Registration No. 197201205Z)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF 31.34% OF THE EQUITY INTEREST IN JIANGSU TYSAN
PRECISION ENGINEERING CO., LTD.**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form : 15 January 2018 at 11 a.m.

Date and time of Extraordinary General Meeting : 17 January 2018 at 11 a.m.

Place of Extraordinary General Meeting : 23 Tuas South Street 1,
Singapore 638033

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“Annual Report”	:	The relevant annual reports of the Company for FY2014 to FY2017
“Board”	:	The board of Directors of the Company
“Directors”	:	The directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Cheung Woh Technologies Ltd
“Completion”	:	The completion of the sale and purchase of the Disposal Shares
“Disposal Shares”	:	31.34% of the equity interest in Tysan Precision which the Company has agreed to dispose of pursuant to the Xuhong SPA and Zhongjin SPA
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per share
“FY2004”	:	the financial year ended 28 February 2004
“FY2007”	:	the financial year ended 28 February 2007
“FY2011”	:	the financial year ended 28 February 2011
“FY2013”	:	the financial year ended 28 February 2013
“FY2017”	:	the financial year ended 28 February 2017
“Group”	:	The Company and its Subsidiaries
“Guarantor”	:	苏州市苏园担保有限公司(Suzhou Suyuan Guarantee Co., Ltd)
“Listing Manual”	:	The listing manual of the Singapore Exchange Securities Trading Limited
“Mr Zou”	:	Has the meaning ascribed to it in paragraph 2.2.2 of this Circular
“Net Proceeds”	:	Has the meaning ascribed to it in paragraph 4 of this Circular
“Notice of EGM”	:	The notice of the EGM set out on page 18 of this Circular
“NTA”	:	Net tangible assets
“PRC”	:	People’s Republic of China
“Proposed Disposal”	:	The disposal of the Disposal Shares by the Company

“Proposed Disposal Resolution”	:	The ordinary resolution relating to the Proposed Disposal Resolution in the Notice of EGM
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchasers”	:	Xuhong and Zhongjin
“Quarterly Results Announcement”	:	means the quarterly results announced by the Company on 10 th July 2017 and 9 th October 2017
“SAIC”	:	State Administration for Industry and Commerce of the People’s Republic of China
“SBC”	:	Suzhou Bureau of Commerce
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited.
“Shares”	:	Shares in the issued ordinary and paid up capital in the Company
“SPAs”	:	The Xuhong SPA and the Zhongjin SPA
“Tysan Corporation”	:	Tysan Corporation Pte Ltd
“Tysan Steel”	:	苏州泰升金属制品有限公司 (Suzhou Tysan Steel Co., Ltd)
“Tysan Precision”	:	江苏忠明祥和精工股份有限公司 (Jiangsu Tysan Precision Engineering Co., Ltd.) (formerly known as 苏州忠明祥和精工有限公司 (Suzhou Tysan Precision Engineering Co., Ltd.))
“Xuhong”	:	常熟市旭宏贸易有限公司 (Changshushi Xuhong Trading Co., Ltd)
“Xuhong SPA”	:	The sale and purchase agreement between the Company, Xuhong and the Guarantor dated 20 November 2017
“Xuhong Transaction”	:	Has the meaning ascribed to it in paragraph 2.4.1 of this Circular
“Zhongjin”	:	常熟市中金实业投资有限公司 (Changshushi Zhongjin Industrial Investment Co., Ltd) (formerly known as ZMA)
“Zhongjin SPA”	:	The sale and purchase agreement between the Company, Zhongjin and the Guarantor dated 20 November 2017
“Zhongjin Transaction”	:	Has the meaning ascribed to it in paragraph 2.4.1 of this Circular
“ZMA”	:	常熟市忠明汽车零部件有限责任公司 (Changshu Zhongming Automobile Parts Co., Ltd) (now known as Zhongjin)

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore or any statutory modification thereof, as the case may be.

The term “**controlling shareholders**” shall have the meaning ascribed to it in the Listing Manual.

The terms “**Subsidiaries**” shall have the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

CHEUNG WOH TECHNOLOGIES LTD

(Company Registration No. 197201205Z)
(Incorporated in the Republic of Singapore)

Directors:

Mr Law Kung Ying (Chairman, Managing Director and Chief Executive Officer)
Mr Law Kung Ming (Executive Director)
Ms Law Yu Chui (Finance and Administrative Director)
Dr Chen Yuk Fu (Independent Director)
Mr Lim Kian Wee Leonard (Independent Director)
Mr Ngu Kuang Hua (Independent Director)

Registered Office:

23 Tuas South Street 1
Singapore 638033

2 January 2018

To: The Shareholders of Cheung Woh Technologies Ltd

Dear Sir/Madam

THE PROPOSED DISPOSAL OF 31.34% OF THE EQUITY INTEREST IN JIANGSU TYSAN PRECISION ENGINEERING CO., LTD.

1. INTRODUCTION

1.1. Background

On 20 November 2017, the Board announced that the Company had entered into two sale and purchase agreements with Zhongjin and the Guarantor, and Xuhong and the Guarantor respectively to dispose 31.34% of the equity interest in Tysan Precision, which comprises the Company's entire equity interest in Tysan Precision, for an aggregate cash consideration of RMB68,004,719 (approximately S\$13.95 million¹).

1.2. Major Transaction

The Proposed Disposal is governed by the rules of Chapter 10 of the Listing Manual. The relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Percentage (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	14.8 ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, as compared with the Group's net profits	(1.1) ⁽²⁾

¹ Unless expressly stated to the contrary, any reference to the Singapore dollar equivalent of a Chinese Renminbi amount is based on the exchange rate of S\$1.00 to RMB4.8757, being the exchange rate as at 1 November 2017, referred to by the Company in its announcement dated 20 November 2017.

(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	24.9 ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issues	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) As at 31 August 2017, Tysan Precision has an unaudited net asset value of S\$47.53 million. 31.34% of this value is \$14.90 million. The equivalent unaudited net asset value of the Group as at 31 August 2017 is S\$100.42 million.
- (2) For the six months ending 31 August 2017, Tysan Precision had an unaudited profit, after tax, non-controlling interest and extraordinary items, of S\$0.26 million. 31.34% of this value is S\$0.08 million. The equivalent amount for the Group for the corresponding period is a loss of S\$7.39 million. As the denominator, i.e. the Group's net profits is a negative amount, the relative figure of 1.1 is a negative number.
- (3) Based on the consideration of S\$13.95 million and the Company's market capitalisation of approximately S\$55.91 million. The market capitalisation of the Company was computed based on the issued share capital excluding treasury shares of the Company of 302,211,800 shares and the volume weighted average price of S\$0.185 per share on 9 November 2017. As there were no transactions on 17 November 2017, the Company has adopted the weighted average of S\$0.185 per share on 9 November 2017 (being the market day preceding the date of the SPA, when the shares were last transacted).
- (4) This rule is not applicable to a disposal of assets.
- (5) This rule is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure computed on the bases set out in Rule 1006(c) of the Listing Manual exceed 20%, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Listing Manual and is accordingly conditional upon, *inter alia*, approval of the shareholders being obtained at the EGM.

1.3. Purpose of the Circular

The purpose of this Circular is to provide the Shareholders with relevant information relating to the Proposed Disposal and to seek Shareholders' approval for the Proposed Disposal for the forthcoming EGM.

2. THE PROPOSED DISPOSAL

2.1. Information on Tysan Precision

2.1.1. Corporate information

Tysan Precision, incorporated in the PRC on 23 September 2002, has a registered share capital of RMB180,000,000 (approximately S\$36.92 million), comprising 180,000,000 ordinary shares. It is principally engaged in the business of manufacturing of automobile seat recliners, seat tract adjusters and hydraulic steering components.

The shareholders of Tysan Precision as at 26 December 2017 are:

Shareholders	Percentage of shareholdings as at the date stated above	Percentage of shareholdings after the Proposed Disposal
常熟市中金实业投资有限公司 Changshushi Zhongjin Industrial Investment Co., Ltd.	61.45%	76.79%
Cheung Woh Technologies Ltd	31.34%	0.00%
常熟市宏亿投资有限公司 Hong Yi (Changshu) Investments Co., Ltd	5.00%	5.00%
ZMC Engineering Pte Ltd	1.91%	1.91%
温永大 Wan Wing Tai	0.30%	0.30%
常熟市旭宏贸易有限公司 Changshushi Xuhong Trading Co., Ltd.	0.00%	16.00%
Total percentage	100%	100%

The existing directors of Tysan Precision as at 26 December 2017 are:

S/N	Name in Chinese	Name in English
1	邹耀忠	Zou Yao Zhong
2	姚正英	Yao Zheng Ying ^
3	徐春芳	Xu Chun Fang ^
4	郭福初	Guo Fu Chu ^
5	刘海燕	Liu Hai Yan ^
6	薛妹芳	Xue Mei Fang ^
7	胡亚球	Hu Ya Qiu ^
8	罗功应	Law Kung Ying
9	罗德谦	Law Tak Heem

^ Translated in Hanyu Pinyin

2.1.2. Information relating to the Company's acquisition of and shareholding in Tysan Precision

In FY2004, the Company invested in 45% of the equity interest in a joint venture company incorporated in the PRC, namely, Tysan Precision. As the automotive industry in China was then in the stage of infancy, the Company invested in Tysan Precision to tap into the high growth potential of the automotive industry in China, given that Tysan Precision specialized in the manufacturing of automobile seat recliners, seat track adjusters and hydraulic steering components. Subsequent to its investment, the Company assisted in the growth of Tysan Precision by providing management support and technical expertise, specifically in the area of fine blanking technology. The other parties to the joint venture were (i) ZMA which held 50% of the equity interest in Tysan Precision; and (ii) ZMC Engineering Pte Ltd which held 5% of the equity interest in Tysan Precision.

In FY2006, the Company incorporated two wholly-owned subsidiaries, namely (i) Tysan Corporation (incorporated in Singapore); and (ii) Tysan Steel (incorporated in the PRC).

In FY2007, the Company acquired an additional 50% of the equity interest in Tysan Precision from ZMA. Following the acquisition, Tysan Precision became a subsidiary of the Company. During the year, the Company injected further funds into Tysan Corporation. In the same year, the Company transferred its entire shareholdings in Tysan Precision (i.e. 95% in Tysan Precision) and Tysan Steel (i.e. 100% in Tysan Steel) to Tysan Corporation. Thereafter, the Company disposed of 26.96% of the equity interest in Tysan Corporation to Sino Zhong Ming Corporation Pte Ltd (of which the controlling shareholder is ZMA). After the transfers, the Company effectively held 69.39% and 73.04% of the equity interest in Tysan Precision and Tysan Steel respectively.

In FY2011, Tysan Corporation disposed of 33% of the equity interest in Tysan Precision to the Company and the remaining 62% of the equity interest to ZMA. Following the transaction, Tysan Precision became an associate company of the Company.

In FY2013, the Company disposed of 1.66% of the equity interest in Tysan Precision to 常熟市宏亿投资有限公司 (Hong Yi (Changshu) Investments Co., Ltd.). Subsequent to the disposal, the Company held 31.34% of the equity interest in Tysan Precision. During the same year, Tysan Corporation disposed of its entire shareholding in Tysan Steel to Tysan Precision.

There has not been any indication of impairment on the investment in Tysan Precision since the Company's acquisition of Tysan Precision.

2.1.3. Key financial information of Tysan Precision

	FY2014	FY2015	FY2016	FY2017	1QFY2018	2QFY2018	Note A
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Sales	95,606	76,654	84,871	88,452	19,409	15,390	Note B
Profit after taxation	10,048	2,450	1,602	8,252	901	(792)	Note B
Margin	11%	3%	2%	9%	5%	-5%	
Share of results of associate recorded in the Company	2,843	930	196	2,430	247	(165)	Note C

Note A Each financial year refers to the Company's financial year from March to February.

Note B Numbers for FY2014 to FY2017 are as per disclosed in Annual Report.

Note C Numbers for 1QFY2018 and 2QFY2018 are as per disclosed in the Quarterly Results Announcement.

2.2. **Information on the Purchasers**

2.2.1. Corporate information

The Purchasers are companies incorporated in the PRC.

Zhongjin was incorporated on 30 April 1996 and has a registered share capital of RMB48,660,000. Its principal activities are in industrial investments, trading of decorative materials, ferrous metal materials and medium-size vehicle. Zhongjin currently holds 61.45% of the shareholding in Tysan Precision. Upon completion of the Proposed Disposal, Zhongjin will hold 76.79% of the shareholding in Tysan Precision.

Xuhong was incorporated on 11 September 2017 and has a registered share capital of RMB20,000,000. Its principal activities are in trading of decorative materials, machinery and equipment, electronic and electrical products. Upon completion of the Proposed Disposal, Xuhong will hold 16% of the shareholding in Tysan Precision.

2.2.2. Other information

Mr Law Kung Ying, CEO of the Company, approached Mr Zou Yao Zhong ("**Mr Zou**"), the controlling shareholder of Zhongjin to explore the possibility of disposing of the shares in Tysan Precision. The Company approached Mr Zou as he is a long-term business partner of the Company.

Mr Zou is the legal representative and controlling shareholder of Zhongjin, and is also the legal representative and shareholder of Xuhong.

The shareholders of Zhongjin are Mr Zou (who holds 70% of the shareholding) and Madam Yao Zheng Ying (who holds 30% of the shareholding).

The shareholders of Xuhong are Mr Zou and Madam Yao Zheng Ying. As Xuhong is a newly incorporated company, the Company is not able to determine the percentage of shareholding held by Mr Zou and Madam Yao Zheng Ying from publicly available information.

Mr Zou is also a shareholder of the Company, holding 1,178,000 ordinary shares amounting to 0.39% of the total shareholding of Company.

Other than the business relationship between the Company and Mr Zou, the Company, its directors and substantial shareholders do not have any relationship with the Purchasers, their directors and substantial shareholders.

2.3. Information on the Guarantor

The Guarantor is a company incorporated on 13 June 2005 and has a registered capital of RMB 300,000,000. In accordance with Chinese laws and regulations, it is categorized as a state-owned entity. Its principal activities are in the provision of guarantees in various financing arrangements and performance guarantees and guarantees-related advisory and consultancy services.

The shareholders of the Guarantor are 苏州相城经济技术开发区漕湖资本投资有限公司 (Suzhou Xiangcheng Economic and Technological Development Zone Caohu Capital Investment Co., Ltd) (formerly known as 苏州市恒和投资开发有限公司 (Suzhou Henghe Investment Development Co., Ltd.)), holding 70% of the shareholding in the Guarantor and 苏州市农业发展集团有限公司 (Suzhou Agricultural Development Group Co., Ltd.), holding 30% of the shareholding in the Guarantor. The ultimate controlling shareholder of 苏州相城经济技术开发区漕湖资本投资有限公司 is 苏州相城经济技术开发区管理委员会 (the Regulating Commission of the Suzhou Xiangcheng Economic & Technological Development Zone), which is part of the local government of Xiangcheng District, Suzhou City. The shareholders of 苏州市农业发展集团有限公司 are local governmental agencies of different levels in Suzhou City.

There is no relationship between the Guarantor and the Company, and the Company is not aware of any relationship between the Purchasers and the Guarantor.

2.4. Salient Terms of the Proposed Disposal

2.4.1. Sale and Purchase of the Disposal Shares

Pursuant to the Zhongjin SPA, the Company has agreed to sell, and Zhongjin has agreed to purchase an aggregate of 27,612,000 ordinary shares in the issued and paid up capital of Tysan Precision, representing 15.34% of the total number of issued shares in Tysan Precision, for an aggregate cash consideration of RMB33,286,292 (approximately S\$6.8 million), upon the terms and subject to the conditions of the Zhongjin SPA (the “**Zhongjin Transaction**”).

Pursuant to the Xuhong SPA, the Company has agreed to sell, and Xuhong has agreed to purchase an aggregate of 28,800,000 ordinary shares in the issued and paid up capital of Tysan Precision, representing 16% of the total number of issued shares in Tysan Precision, for an aggregate cash consideration of RMB34,718,427 (approximately S\$7.1 million), upon the terms and subject to the conditions of the Xuhong SPA (the “**Xuhong Transaction**”).

2.4.2. Consideration and payment terms

Consideration

The consideration amounts for the Proposed Disposal were arrived at on a willing-buyer and willing-seller basis after taking into account (i) the net assets value of Tysan Precision as at 31 July 2017; and (ii) a dividend declared by Tysan Precision in August 2017.

When the Company first invested in Tysan Precision in FY2004, the investment was made on the basis of the net asset value of the plant and machinery contributed by one of the joint-venture partners, namely ZMA.

Since then, the Company has used the same basis to determine the sale and purchase consideration for subsequent acquisitions and disposals of shares in Tysan Precision.

The Board is satisfied that this method of determining the sale consideration is fair.

In the Proposed Disposal, the Purchasers requested for a 10% discount to the net asset value of Tysan Precision, in view of the increasing competition in the automotive industry and deterioration to future profit margin, and this was agreed to by the Company.

The sale consideration was also adjusted to take into account dividends declared by Tysan Precision in August 2017.

Payment terms

The consideration for the Zhongjin Transaction will be settled in cash within one (1) month from the date the relevant registration procedures with the SBC and the SAIC for the transfer of shares are completed.

The consideration for the Xuhong Transaction will be settled in cash in two (2) tranches:

- (a) RMB6,943,685 (approximately S\$1.4 million) will be paid within one (1) month from the date the relevant registration procedures with the SBC and the SAIC for the transfer of shares are completed; and
- (b) RMB27,774,742 (approximately S\$5.7 million) will be paid within three (3) months from the date the first payment is made.

The Guarantor has agreed to guarantee the payment by the Purchasers to the Company of the purchase consideration under each of the Zhongjin Transaction and the Xuhong Transaction upon the terms set out in the Zhongjin SPA and Xuhong SPA. If any of the Purchasers fail to make payment of the purchase consideration by the dates stipulated in the Zhongjin SPA and Xuhong SPA, the Company shall have the right to request for payment of the same from the Guarantor during the guarantee period. The guarantee period shall expire two (2) years from the payment deadline for the consideration.

In the event that the Company and the Purchasers are, for any reason, unable to complete the registration procedures of the shares pursuant to each of the Zhongjin SPA and the Xuhong SPA, within nine (9) months from the date of the respective agreements, the Guarantor's obligations to guarantee payments under each of the Zhongjin SPA and the Xuhong SPA shall cease, and the Company and the Purchasers' obligations under the respective agreements shall lapse and the agreements may be terminated by the parties.

Upon termination, no party shall bring any claims against the other parties, except for claims arising from a breach of the terms of this Agreement by the relevant parties prior to the termination date.

2.4.3. Condition Precedent

The Completion is conditional upon the Company having received the approval of the shareholders for the sale of the Disposal Shares upon the terms and conditions set out in the Xuhong SPA and Zhongjin SPA entered into between the Company, the Guarantor and each of the Purchasers respectively.

Once the Proposed Disposal Resolution in this Circular is passed, the condition precedent in this paragraph 2.4.3 would be fulfilled.

2.4.4. Completion

Subject to the fulfilment of the condition precedent as set out in paragraph 2.4.3, the completion of the transfers of shares pursuant to the Zhongjin SPA and the Xuhong SPA will take place on the date(s) on which the relevant registration procedures with the SBC and the SAIC for the transfer of shares pursuant to each sale and purchase agreement are completed.

The Company and the Purchasers to the Zhongjin SPA and the Xuhong SPA shall procure that Tysan Precision commence the registration procedures with the SBC and the SAIC, and submit the relevant tax declaration to the tax authorities for the transfer of the shares within thirty (30) working days of the passing of the shareholders' resolution approving the transfer of the shares. The Company and the Purchasers shall give written notice to the Guarantor within two (2) working days of completing the aforementioned registration procedures.

2.4.5. Financial Information on the Proposed Disposal

	S\$
Net asset value of the Disposal Shares as at 31 August 2017	14.90 million
Deficit of the net proceeds over the book value of the Disposal Shares	0.95 million
Net loss attributable to the Disposal Shares	1.26 million

3. **RATIONALE FOR THE PROPOSED DISPOSAL**

The Directors consider that the Proposed Disposal is in the interest of the Company, taking into consideration the following factors:

- (a) the Company invested in Tysan Precision in FY2004, when the automotive industry in China was at its infancy for the reasons stated in paragraph 2.1.2 above. After a decade of high growth in the Chinese automotive industry, the Board is of the view that the industry has entered into a period of slow growth. The Company wishes to exit from the automotive industry in the PRC in the belief that the industry will become more competitive and that Tysan Precision will not be able to maintain its profit margin; and
- (b) the Proposed Disposal will enable the Company to realise cash and unlock the value in the Company's investment.

4. USE OF PROCEEDS

The estimated net proceeds from the Proposed Disposal, after deducting estimated expenses to be incurred in connection with the Proposed Disposal, is approximately S\$13.63 million ("**Net Proceeds**"). The Company intends to utilise approximately S\$6.8 million of the Net Proceeds for the repayment of interest-bearing loans and borrowings and the balance of approximately S\$6.83 million for the Group's working capital requirements.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and are therefore not indicative of the actual future financial position of the Company or the Group after the completion of the Proposed Disposal.

The pro forma financial effects of the Proposed Disposal have been prepared based on the audited consolidated financial statements of the Group for **FY2017**, and on the following bases and assumptions:

- (a) the financial effect on the consolidated **NTA** per share is computed based on the assumption that the Proposed Disposal was completed on 28 February 2017;
- (b) the financial effects on the consolidated **EPS** of the Group are computed assuming that the Proposed Disposal was completed on 1 March 2016;
- (c) the financial effects do not take into account any transactions completed by the Group subsequent to 28 February 2017; and
- (d) costs and expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects.

5.1. NTA per share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	108,385	104,200
Number of shares ('000)	302,212	302,212
NTA per share (cents)	35.86	34.48

5.2. EPS

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to shareholders (S\$'000)	3,598	1,168
Weighted average number of shares (excluding treasury shares) ('000)	302,212	302,212
EPS (cents)	1.19	0.39

5.3. Structure of the Group before and after the Proposed Disposal

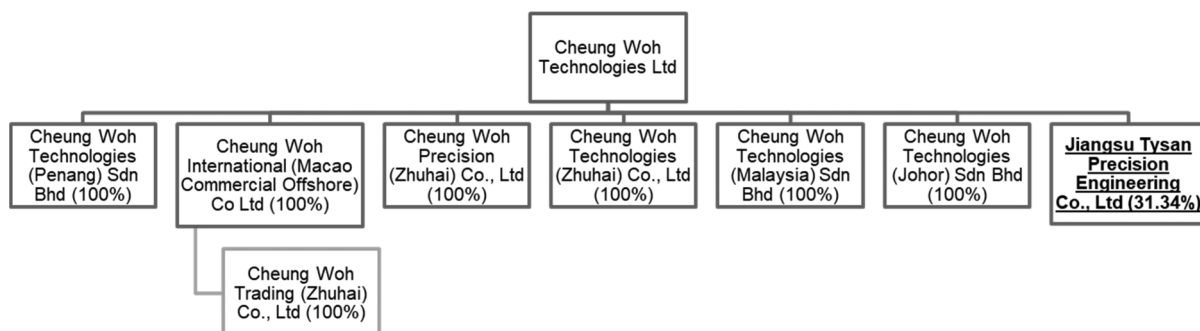


Figure 1 Before Proposed Disposal

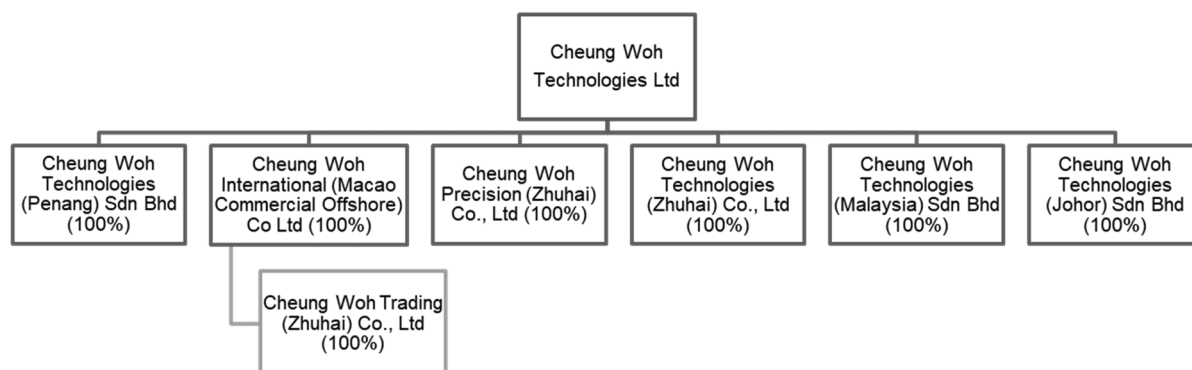


Figure 2 After Proposed Disposal

6. SERVICE CONTRACTS

No person will be appointed as a Director in connection with the Proposed Disposal. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE PROPOSED DISPOSAL

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (save for their respective shareholdings in the Company, if any).

Based on information as at 26 December 2017:

Controlling Shareholders	Direct Interest	Percentage (%)⁽¹⁾	Deemed interest	Percentage (%)⁽²⁾
Nexsuss Holdings Pte Ltd	190,405,000	63.0%	-	-
Lee Hang Ngok	10,419,600	3.4%	190,405,000	63.0%
Law Yu Chui	10,419,600	3.4%	190,405,000	63.0%
Christopher Law Tak Heem	142,000	0.0%	190,405,000	63.0%
Law Tak Lun	-	-	190,405,000	63.0%

Based on information as at 26 December 2017:

Directors	Number of Shares	Percentage (%)⁽¹⁾
Law Kung Ying	10,419,600	3.4%
Law Kung Ming	10,419,600	3.4%
Law Yu Chui	10,419,600	3.4%
Ngu Kuang Hua	501,400	0.2%
Chen Yuk Fu	100,000	0.03%

(1) The shareholding percentage is calculated based on the number of issued ordinary shares of the Company excluding treasury shares.

(2) Held through Nexsuss Holdings Pte Ltd for the benefit of Lee Hang Ngok, Law Yu Chui, Christopher Law Tak Heem and Law Tak Lun

8. DIRECTORS' RECOMMENDATION

Having considered and reviewed, amongst others, the terms of the SPAs, the rationale for and the financial effects of the Proposed Disposal, and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Disposal is in the interest of the Company. Accordingly, they recommend that Shareholders vote in favour of the Proposed Disposal Resolution.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out at page 18 of this Circular, will be held at 23 Tuas South Street 1 Singapore 638033 on 17 January 2018 at 11 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible, and in any event, so as to reach the registered office of the Company not later than 48 hours before the time appointed for the EGM. Completion and return of the Proxy Form by

a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM to speak and vote thereat unless his name appears in the Depository Register as at 48 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the SPAs, the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. INSPECTION OF DOCUMENTS

Copies of the SPAs are available for inspection during normal business hours at the registered address of the Company at 23 Tuas South Street 1, Singapore 638033 for three (3) months from the date of this Circular.

Yours faithfully
For and on behalf of the Board

Mr Law Kung Ying
Chief Executive Officer
Cheung Woh Technologies Ltd

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHEUNG WOH TECHNOLOGIES LTD

(Company Registration No. 197201205Z)

(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of **CHEUNG WOH TECHNOLOGIES LTD** (the “Company”) will be held at 23 Tuas South Street 1 Singapore 638033 on 17 January 2018 at 11 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION:

**THE PROPOSED DISPOSAL BY THE COMPANY OF 31.34% OF THE EQUITY INTEREST IN
JIANGSU TYSAN PRECISION ENGINEERING CO., LTD**

That:

- (a) approval be and is hereby given to the Company to dispose of 31.34% of the Company's equity interest in Jiangsu Tysan Precision Engineering Co., Ltd for an aggregate consideration of RMB68,004,719 payable in cash (the “Proposed Disposal”), and on the terms and subject to the conditions of (i) the sale and purchase agreement dated 20 November 2017 entered into between the Company, 常熟市旭宏贸易有限公司 (Changshushi Xuhong Trading Co., Ltd) and 苏州市苏园担保有限公司 (Suzhou Suyuan Guarantee Co., Ltd); and (ii) the sale and purchase agreement dated 20 November 2017 entered into between the Company, 常熟市中金实业投资有限公司 (Changshushi Zhongjin Industrial Investment Co., Ltd) and 苏州市苏园担保有限公司 (Suzhou Suyuan Guarantee Co., Ltd); and
- (b) all the directors of the Company and each of them be and are hereby authorised and empowered to do all acts and things as they or he/she may consider necessary or expedient to give effect to this Ordinary Resolution and/or the Proposed Disposal, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required).

By Order of the Board
Cheung Woh Technologies Ltd

LAW YU CHUI
CHAN LAI YIN
Company Secretaries

2 January 2018

PERSONAL DATA PRIVACY

By lodging an instrument appointing a proxy(ies) and/or representative(s), a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (and its agents) for the purpose of the processing and administration by the Company (and its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (and its agents) to comply with any applicable laws, listing rule, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (and its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

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

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. Relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50)) (the “**Act**”) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Cheung Woh Technologies Ltd’s shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 2 January 2018.

*I/We _____ (Name) NRIC/Passport No. _____
of _____ (Address)
being a *member/members of CHEUNG WOH TECHNOLOGIES LTD (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing *him/her, the Chairman of the Extraordinary General Meeting of the Company (the “**Meeting**”) as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the Meeting to be held at 23 Tuas South Street 1, Singapore 638033 on 17 January 2018 at 11 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/ her discretion.

Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against” , please indicate so with a [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Ordinary Resolution	For	Against
To approve the Proposed Disposal		

Dated this _____ day of _____ 2018.

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Total number of:	No. of Shares
(a) CDP Register	
(b) Register of Members	



NOTES:

1. A proxy need not be a member of the Company. A Member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
3. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

(a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A depositor's name must appear on the Depository Register not less than 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 23 Tuas South Street 1, Singapore 638033 not less than forty eight (48) hours before the time appointed for the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorized officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the Meeting if he so wishes.
10. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

11. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy.

