



Financial Statements And Related Announcement
For Financial Year Ended 28 February 2014

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 2014.

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

* The FY2013 financial results of the Group have included that of TS, which was disposed off in the third quarter of FY2013.

	GROUP			GROUP			
	Notes	4QFY14 S\$'000	4QFY13 S\$'000	Increase/ (decrease) %	For the year ended		Increase/ (decrease) %
					2014 S\$'000	2013 * S\$'000	
Turnover		13,064	12,721	2.7	59,329	60,698	(2.3)
Cost of sales		(11,571)	(12,490)	(7.4)	(52,989)	(55,230)	(4.1)
Gross profit		1,493	231	546.3	6,340	5,468	15.9
Other operating income	a	834	908	(8.1)	3,958	4,067	(2.7)
Distribution and selling expenses		(634)	(537)	18.1	(2,465)	(2,650)	(7.0)
General and administrative expenses		(2,394)	(1,905)	25.7	(9,315)	(8,193)	13.7
Finance costs		(33)	(77)	(57.1)	(189)	(534)	(64.6)
Share of results of associate companies		256	59	333.9	2,843	1,674	69.8
(Loss)/profit before taxation	b	(478)	(1,321)	(63.8)	1,172	(168)	n.m.
Income tax expense	c	(186)	(898)	(79.3)	(174)	(1,320)	(86.8)
(Loss)/profit for the financial period/year		(664)	(2,219)	(70.1)	998	(1,488)	n.m.
Other comprehensive income:							
Foreign currency translation gain/(loss)		743	620		2,383	(1,083)	
Total comprehensive income for the financial period/year		79	(1,599)		3,381	(2,571)	
(Loss)/profit attributable to:							
Equity owners of the Company		(646)	(2,198)		1,050	(1,896)	
Non-controlling interests		(18)	(21)		(52)	408	
		(664)	(2,219)		998	(1,488)	
Total comprehensive income attributable to:							
Equity owners of the Company		(987)	(1,776)		2,337	(2,703)	
Non-controlling interests		1,066	177		1,044	132	
		79	(1,599)		3,381	(2,571)	
Earnings per share (cents)							
Basic and diluted		(0.21)	(0.72)		0.35	(0.62)	

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)

* The FY2013 financial results of the Group have included that of TS, which was disposed off in the third quarter of FY2013.

Notes	GROUP		GROUP		
	4QFY14 S\$'000	4QFY13 S\$'000	For the year ended 2014 S\$'000	2013 * S\$'000	
a	The Group's other operating income included the following:				
	Sales of scrap metal	652	473	3,073	2,838
	Sundry income	126	28	426	378
	Rental income	30	-	45	-
	Gain on disposal of property, plant and equipment	21	-	368	-
	Interest income	5	20	46	113
	Write-back of impairment loss on plant and equipment	-	352	-	352
	Write-back of inventories	-	35	-	-
	Gain on disposal of equity interest in an associate company	-	-	-	355
	Fair value gain on derivative financial instruments at fair value through profit or loss, net	-	-	-	31
b	The Group's (loss)/profit before taxation is arrived at after charging/(crediting):				
	Amortisation and depreciation	1,830	1,759	7,301	7,407
	Foreign exchange loss	422	625	1,862	830
	Loss on disposal of a subsidiary company	-	-	-	475
	Allowance for/(write-back of) inventories obsolescence	103	25	(49)	42
	Interest expense on interest-bearing loans and borrowings	33	77	189	534
	Write-off of property, plant and equipment	28	-	28	-
	Write down of inventories	9	-	28	24
	Social insurance fund	177	92	711	452
	(Write-back of)/allowance for impairment on trade receivables (net)	(36)	(9)	(36)	101
	Loss on disposal of property, plant and equipment	-	-	-	397
	Loss on derivatives	-	-	-	113
	Retrenchment benefits	-	-	731	-
c	The Group's income tax expense have been adjusted for:				
	Under/(over) provision in respect of prior years	-	170	(4)	532

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	
	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	50,701	50,568	3,286	5,404
Investment property	1,294	-	1,294	-
Intangible assets	79	85	69	74
Investments in subsidiary companies	-	-	46,005	46,005
Investments in associate companies	16,886	12,880	15,662	10,256
Investment in a quoted equity	1	1	-	-
	68,961	63,534	66,316	61,739
Current assets				
Inventories	12,608	8,603	441	424
Trade receivables	11,144	10,583	1,831	2,058
Amount due from an associate company	322	4,455	320	-
Other receivables	1,442	1,902	4,225	260
Prepayments	953	341	58	32
Cash and bank balances	10,872	16,357	1,974	10,689
	37,341	42,241	8,849	13,463
Total assets	106,302	105,775	75,165	75,202
EQUITY AND LIABILITIES				
Current liabilities				
Trade payables	5,075	3,323	2,105	539
Other payables	3,703	2,974	523	6,171
Amount due to an associate company	437	168	-	-
Interest-bearing loans and borrowings	2,902	7,961	-	1,855
Income tax payable	20	52	-	-
	12,137	14,478	2,628	8,565
Net current assets	25,204	27,763	6,221	4,898
Non-current liabilities				
Deferred tax liabilities	2,752	2,981	-	236
	2,752	2,981	-	236
Total liabilities	14,889	17,459	2,628	8,801
Net assets	91,413	88,316	72,537	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	47,770	46,720	24,260	18,097
Statutory reserve	707	707	-	-
Foreign currency translation reserve	(6,196)	(7,484)	-	-
	90,558	88,247	72,537	66,401
Non-controlling interests	855	69	-	-
Total equity	91,413	88,316	72,537	66,401
Total equity and liabilities	106,302	105,775	75,165	75,202

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 28.02.2014		As at 28.02.2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,902	-	6,106	1,855

B) Amount repayable after one year

As at 28.02.2014		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
- 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**

* The FY2013 financial results of the Group have included that of TS, which was disposed off in the third quarter of FY2013.

	GROUP		GROUP	
	4QFY14	4QFY13	For the year ended 2014	2013 *
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(478)	(1,321)	1,172	(168)
Adjustments for:				
Amortisation and depreciation	1,830	1,759	7,301	7,407
Allowance for/(write-back of) inventories obsolescence	103	25	(49)	42
Interest expense	33	77	189	534
Write down/(Write-back) of inventories	9	(35)	28	24
Unrealised exchange (gain)/loss	(884)	661	19	321
Share of results of associate companies	(256)	(59)	(2,843)	(1,674)
(Gain)/loss on disposal of a subsidiary company	(21)	-	(368)	397
Write-back of impairment loss on property, plant and equipment	-	(352)	-	(352)
Write-off of property, plant and equipment	28	-	28	-
Interest income	(5)	(20)	(46)	(113)
(Write-back of)/impairment loss on trade receivables	(36)	(9)	(36)	101
Fair value gain on derivative financial instruments at fair value through profit or loss, net	-	-	-	(31)
Gain on disposal of equity interest in an associate company	-	-	-	(355)
Loss on disposal of a subsidiary company	-	-	-	475
Operating cash flows before changes in working capital	323	726	5,395	6,608
(Increase)/decrease in:				
Inventories	(2,423)	2,319	(3,985)	1,917
Trade receivables	1,578	(992)	(567)	(4,844)
Amount due from an associate company	5,335	(213)	4,133	814
Other receivables and prepayments	2,639	511	(84)	248
(Decrease)/increase in:				
Trade payables	129	(408)	1,754	(15)
Other payables	(75)	(249)	729	(477)
Amount due to an associate company	203	-	270	-
Exchange differences arising from consolidation	1,513	93	1,696	(115)
Cash flow generated from operations	9,222	1,787	9,341	4,136
Interest received	5	20	46	113
Interest paid	(33)	(77)	(189)	(534)
Income tax paid	(432)	(351)	(467)	(1,241)
Net cash flow generated from operating activities	8,762	1,379	8,731	2,474

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	
	4QFY14	4QFY13	For the year ended	
	S\$'000	S\$'000	2014	2013 *
			S\$'000	S\$'000
Cash flow from investing activities				
Purchase of property, plant and equipment	(4,118)	(639)	(8,190)	(3,676)
Proceeds from disposal of property, plant and equipment	61	-	553	416
Investment in an associate company	(1,151)	-	(1,163)	-
Disposal of subsidiary, net of cash disposed of (Note A)	-	-	-	7,395
Proceeds from disposal of equity interest in an associate company	-	-	-	586
Dividend income received from an associate company	-	864	-	864
Net cash flow (used in)/ generated from investing activities	(5,208)	225	(8,800)	5,585
Cash flow from financing activities				
Repayment of interest-bearing loans and borrowings	(853)	(2,982)	(5,210)	(14,270)
Repayment of finance lease liability	-	-	-	(53)
Decrease/(increase) in cash and cash equivalents subject to restrictions	4	(2)	(8)	106
Dividends paid on ordinary shares	-	-	-	(3,515)
Dividends paid to non-controlling interests	(258)	(158)	(258)	(158)
Proceeds from interest-bearing loans and borrowings	-	1,904	-	7,405
Shares purchased and held as treasury shares	-	(503)	(27)	(558)
Net cash flow used in financing activities	(1,107)	(1,741)	(5,503)	(11,043)
Net increase/(decrease) in cash and cash equivalents	2,447	(137)	(5,572)	(2,984)
Cash and cash equivalents at beginning of financial period/year	8,230	16,203	16,213	19,386
Effect of exchange rate changes on cash and cash equivalents	43	147	79	(189)
Cash and cash equivalents at end of financial period/year (Note B)	10,720	16,213	10,720	16,213

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, 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	<u>(7,917)</u>
Gross profit	455
Other operating income	134
Distribution and selling expenses	(85)
General and administrative expenses	(232)
Finance costs	<u>(198)</u>
Profit before taxation	74
Income tax expense	<u>(330)</u>
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	<u>(475)</u>
Net assets disposed of	8,292
Less: Cash and cash equivalents in subsidiary disposed of	<u>(897)</u>
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	
	2014	2013
	S\$'000	S\$'000
Cash and bank balances	10,720	7,513
Fixed deposits	152	8,844
	<u>10,872</u>	<u>16,357</u>
Less:		
Cash and cash equivalents subject to restriction *	(152)	(144)
Cash and cash equivalents at end of financial period	<u>10,720</u>	<u>16,213</u>

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

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Attributable to equity owners of the Company

	Share capital	Treasury shares	Revenue reserve	Statutory reserve	Foreign currency translation reserve	Asset revaluation reserve	Total other reserves	Total equity attributable to equity owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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 year	-	-	1,050	-	1,288	-	1,288	2,338	1,044	3,382
Purchase of treasury shares	-	(27)	-	-	-	-	-	(27)	-	(27)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(258)	(258)
Balance as at 28.02.2014	50,200	(1,923)	47,770	707	(6,196)	-	(5,489)	90,558	855	91,413
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 year	-	-	(1,896)	-	(807)	-	(807)	(2,703)	132	(2,571)
Disposal of a subsidiary company	-	-	493	(493)	741	-	248	741	(268)	473
Transfer from revenue reserve to statutory reserve	-	-	(37)	37	-	-	37	-	-	-
Purchase of treasury shares	-	(558)	-	-	-	-	-	(558)	-	(558)
Dividends paid on ordinary shares	-	-	(3,515)	-	-	-	-	(3,515)	-	(3,515)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(158)	(158)
Balance as at 28.02.2013	50,200	(1,896)	46,720	707	(7,484)	-	(6,777)	88,247	69	88,316

- 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 28.02.2013	50,200	(1,896)	18,097	66,401
Total comprehensive income for the financial year	-	-	6,163	6,163
Purchase of treasury shares	-	(27)	-	(27)
Balance as at 28.02.2014	50,200	(1,923)	24,260	72,537
Balance as at 28.02.2012	50,200	(1,338)	20,571	69,433
Total comprehensive income for the financial year	-	-	1,041	1,041
Purchase of treasury shares	-	(558)	-	(558)
Dividends	-	-	(3,515)	(3,515)
Balance as at 28.02.2013	50,200	(1,896)	18,097	66,401

- 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 share are set out as below.

	2014		2013	
	No. of Shares (('000))	(S\$'000)	No. of shares (('000))	(S\$'000)
At 1 March	10,682	1,896	7,423	1,338
Purchase of treasury shares	191	27	3,259	558
At 28 February	10,873	1,923	10,682	1,896

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 28 February 2014.

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.

	28.02.2014	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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 28 February 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 Group adopted the new/revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 January 2013 or 1 March 2013. The adoption of the FRSs and INT FRSs will have no significant impact on the financial statements of the Group in the period of initial application.

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			
	4QFY14	4QFY13	2014	2013
(Loss)/profit attributable to shareholders (\$'000)	(646)	(2,198)	1,050	(1,896)
Weighted average number of shares used to compute				
basic and diluted earnings per share ('000)	302,245	304,770	302,245	304,770
Earnings per share (cents) - basic and diluted	(0.21)	(0.72)	0.35	(0.62)

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	
	2014	2013	2014	2013
Net asset value per ordinary share based on				
share capital at the end of the period (cents)	29.97	29.18	24.00	21.96

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.02.2013: 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 FY2014, 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 28 February, FY2013 statement of comprehensive income has 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			GROUP (Excluded TS) Proforma		
	4QFY14 S\$'000	4QFY13 S\$'000	Increase/ (decrease) %	For the year ended 2014 S\$'000	2013 S\$'000	Increase/ (decrease) %
Turnover	13,064	12,721	2.7	59,329	56,359	5.3
Cost of sales	(11,571)	(12,490)	(7.4)	(52,989)	(51,345)	3.2
Gross profit	1,493	231	546.3	6,340	5,014	26.4
Other operating income	834	908	(8.1)	3,958	3,907	1.3
Distribution and selling expenses	(634)	(537)	18.1	(2,465)	(2,565)	(3.9)
General and administrative expenses	(2,394)	(1,905)	25.7	(9,315)	(7,936)	17.4
Finance costs	(33)	(77)	(57.1)	(189)	(336)	(43.8)
	(734)	(1,380)	(46.8)	(1,671)	(1,916)	(12.8)
Share of results of associate companies	256	59	333.9	2,843	1,674	69.8
Loss before taxation	(478)	(1,321)		1,172	(242)	

During the financial year ended 28 February 2014 (FY2014), the Group's turnover increased by 5.3% (approximately \$3.0 million) as compared to previous financial year (FY2013). The increase was mainly contributed by higher sales in both HDD components and Precision Metal Stamping components segments. Turnover in 4QFY14 was 2.7% (approximately \$0.3 million) higher than 4QFY13, contributed mainly by better customers' demands in Precision Metal Stamping components segment.

The cost of sales (COS) of the Group in FY2014 increased by 3.2% (approximately \$1.6 million) as compared to FY2013. The increase was attributable mainly to increase in labour costs as a result of the implementation of minimum wages in Malaysia. The increase in labour costs was partially offset by a decline in material costs, which led to a better gross profit margin in FY2014. The COS in 4QFY14 decreased by 7.4% (approximately \$0.9 million) as compared to 4QFY13 mainly due to the decline in material costs. The decline in material costs was higher than the increase in labour costs which led to a better gross profit margin achieved in 4QFY14.

Other operating income in FY2014 was 1.3% (approximately \$51,000) higher as compared to FY2013. The increase was mainly due to higher sales of scrap metal, rental income and gain on disposal of property, plant and equipment during the year. The increase was partially offset by a decrease in interest income generated during the year. Besides that, there was a write-back of impairment loss on plant and equipment and gain on disposal of equity interest in an associate company recorded in FY2013.

Distribution and selling expenses (D & S expenses) decreased by 3.9% (approximately \$0.1 million) as compared to FY2013. The decrease was attributable mainly to lesser shipments by air made during the year. The D & S expenses in 4QFY14 increased by 18.1% (approximately \$0.1 million) as compared to 4QFY13. The increase was in line with increase in sales activities during the financial period.

General and administrative expenses (G & A expenses) increased by 17.4% (approximately \$1.4 million) as compared to FY2013. The increase was mainly due to higher foreign exchange loss as a result of depreciation of Ringgit Malaysia against United States Dollar, social insurance funds in China and retrenchment benefits incurred by the Company during the year. The increase was partially offset by loss on disposal of a subsidiary company, loss on disposal of property, plant and equipment and loss on derivatives recorded in FY2013. The G & A expenses in 4QFY14 increased by 25.7% (approximately \$0.5 million) as compared to 4QFY13. The increase was mainly

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

Consolidated statement of comprehensive income (cont'd)

due to withholding tax paid by the Company for dividends received from associate company in China.

Finance costs decreased by 43.8% (approximately \$0.1 million) in FY2014 mainly attributable to lower interest-bearing loans and borrowing balances as compared to FY2013.

Share of results of associate companies represents the Group's interest in the profit after taxation of the associate companies. The share of results of associate companies increased by 69.8% (approximately \$1.2 million) mainly due to higher profits generated by Jiangsu Tysan Precision Engineering Co., Ltd.

Statement of financial position

The Group's non-current assets increased by 8.5% (approximately \$5.4 million) as compared to 28 February 2013 (FY2013) mainly contributed by increase in investments in associate companies (approximately \$4.0 million). This increase was mainly due to share of profit after tax derived from associate companies during the year and additional investment in an associate company (Mega Mechanism Sdn Bhd). During the year, the Group has granted a quasi equity loan to an associate company for its investment purposes. The loan is treated as part of the investments in associate companies. In FY2014, the Group has purchased additional plant and machinery. The increase in property, plant and equipment (PPE) was partially offset by the depreciation expenses charged on PPE during the year and reclassification of leasehold land and property to investment property. 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 52.7% (approximately \$5.4 million) mainly due to capitalisation of dividends declared by an associate company. The Company's property, plant and equipment decreased by 39.2% (approximately \$2.1 million) mainly due to transfer of plant and machinery to subsidiary in Malaysia and reclassification of leasehold land and property to investment property.

The Group's current assets decreased by 11.6% (approximately \$4.9 million) mainly due to decreases in amount due from an associate company and cash and bank balances. Amount due from an associate company decreased due to repayment made by the associate company during the year. The decrease was partially offset by increases in inventories, trade receivables and prepayments. The Group's inventories in FY2013 were lower than that of FY2014 mainly due to lower customers' demands in FY2013. Increase in prepayments as compared to FY2013 was mainly due to advance payments made for purchases of plant and machinery. Other receivables of the Company have increased mainly due to the inter-companies receivables. Cash and bank balances of the Company decreased mainly due to settlements of interest-bearing loans and borrowings and other payables due to inter-companies.

The Group's current liabilities decreased by 16.2% (approximately \$2.3 million) as compared to FY2013. The decrease was mainly contributed by repayments made on interest-bearing loans and borrowings during the year. The decrease was partially offset by increases in trade and other payables and amount due to an associate company. Increase in trade payables was attributable mainly to the increase in production activities towards the year end. Increase in other payables was mainly due to deposits received and amounts owing to vendors for purchases of machinery during the year. 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 7.7% (approximately \$0.2 million) as compared to FY2013 due to decrease in deferred tax liabilities.

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

Consolidated statement of cash flows

During FY2014, the Group has net cash flows generated from operations of \$8.7 million as compared to \$2.5 million in FY2013. The net cash flows generated during the year was mainly contributed by decrease in amount due from an associate company and increases in trade and other payables. This was partially offset by increases in inventories, trade receivables, other receivables and prepayments.

In investing activities, the Group used \$8.8 million during FY2014 as compared to \$5.6 million generated in FY2013. The net cash used in FY2014 was mainly for the purchases of property, plant and equipment and investment in an associate company. It was partially offset by proceeds from disposal of property, plant and equipment during the year.

During FY2014, the Group used \$5.5 million in financing activities as compared to \$11.0 million used in FY2013. The net cash used was mainly on repayment of interest-bearing loans and borrowings, dividends paid to non-controlling interests and purchases of treasury shares during the year.

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 third quarter financial period ended 30 November 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 business segment is expected to do better.

The Precision Metal Stamping component segment is expected to continue to do well.

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

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	0.2 cent per ordinary share
Tax Rate	Tax Exempt (One-tier)

11 Dividend (cont'd)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of dividend	Interim (paid)
Dividend Type	Cash
Dividend Rate	0.05 cents 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.

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

13 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		Re-rolling Steel		Adjustments and Eliminations		Note	Consolidated financial statements	
	2014	2013	2014	2013	2014	2013*	2014	2013		2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
Turnover:											
External sales	43,123	41,997	16,206	14,362	-	4,339	-	-		59,329	60,698
Inter-segment sales	-	140	-	-	-	4,032	-	(4,172)		-	-
	43,123	42,137	16,206	14,362	-	8,371	-	(4,172)	a	59,329	60,698
Results:											
Interest income	33	87	13	23	-	3	-	-		46	113
Interest expense	(189)	(336)	-	-	-	(198)	-	-		(189)	(534)
Fair value gain on derivative financial instruments at fair value through profit or loss, net	-	31	-	-	-	-	-	-		-	31
Amortisation and depreciation	(6,998)	(6,822)	(303)	(298)	-	(287)	-	-		(7,301)	(7,407)
Write-back of/(allowance for) impairment on:											
- Trade receivables	-	(101)	-	-	-	-	-	-		-	(101)
- Property, plant and equipment	-	-	-	352	-	-	-	-		-	352
Write-off of property, plant and equipment	28	-	-	-	-	-	-	-		28	-
Allowance for/(write-back of) inventories obsolescence	77	(19)	(98)	(23)	-	-	-	-		(21)	(42)
Other non-cash (income)/expenses	(349)	333	(19)	-	-	87	-	-	b	(368)	420
Segment (loss)/profit	(5,227)	(5,851)	4,003	4,325	-	(196)	2,396	1,554	c	1,172	(168)
Assets:											
Additions to non-current assets	4,507	3,540	2,475	30	-	106	1,208	-	d	8,190	3,676
Segment assets	143,508	124,171	13,843	8,266	-	-	(51,049)	(26,662)	e	106,302	105,775
Segment liabilities	55,606	43,721	10,738	5,390	-	-	(51,455)	(31,652)	f	14,889	17,459

* The FY2013 financial results of Re-rolling Steel Components segment consist of a period of 9 months from 1 March 2012 to 30 November 2012.

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

	2014	2013
	\$'000	\$'000
Share of results of associate companies	2,843	1,674
Withholding tax paid by the Company	(248)	-
Others	(199)	-
Gain on disposal of equity interest in an associate company	-	355
Loss on disposal of a subsidiary company	-	(475)
	<u>2,396</u>	<u>1,554</u>

- d Additions to non-current assets consist of additions to property, plant and equipment.
- e The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014	2013
	\$'000	\$'000
Investments in associate companies	16,886	12,880
Inter-segment assets	(67,935)	(39,542)
	<u>(51,049)</u>	<u>(26,662)</u>

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

	2014	2013
	\$'000	\$'000
Deferred tax liabilities	2,752	1,780
Inter-segment liabilities	(54,207)	(33,432)
	<u>(51,455)</u>	<u>(31,652)</u>

13 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	
	2014	2013 *	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
Malaysia	27,742	24,747	19,685	18,067
Thailand	22,115	17,097	-	-
Philippines	3,496	7,342	-	-
Portugal	2,907	3,220	-	-
United States	1,031	705	-	-
People's Republic of China	967	5,650	44,624	39,989
Singapore	15	99	4,650	5,478
Others	1,056	1,838	2	-
	<u>59,329</u>	<u>60,698</u>	<u>68,961</u>	<u>63,534</u>

* The Group's turnover in FY2013 included that of TS, which was disposed off in the third quarter of FY2013.

14 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 of HDD components and Precision Metal Stamping components segments have increased by 2.7% (approximately \$1.1 million) and 12.8% (approximately \$1.8 million) respectively as compared to the previous financial year. The increases in both segments were attributable to higher demand from customers during the year.

During FY2014, HDD components segment recorded a lower segment loss of \$5.2 million as compared to a loss of \$5.9 million in FY2013 mainly due to improved sales. The segment loss of \$5.2 million was inclusive of retrenchment benefits of \$0.7 million incurred during the year.

Segment profit in Precision Metal Stamping components segment decreased by 7.4% (approximately \$0.3 million) as compared to FY2013. The decrease was mainly due to increase in labour costs as a result of implementation of minimum wages in Malaysia. Besides that, there was a write-back of impairment on property, plant and equipment recorded in FY2013.

15 A breakdown of sales

	GROUP		
	2014 S\$'000	2013 * S\$'000	Increase/ (decrease) %
Sales reported for the first half of the year	30,141	33,803	(10.8)
Operating profit after taxation before non-controlling interests reported for the first half year	120	594	(79.8)
Sales reported for the second half of the year	29,188	26,895	8.5
Operating gain/(loss) after taxation before non-controlling interests reported for the second half year	878	(2,082)	n.m.

n.m. - not meaningful

* The Group's sales in FY2013 included that of TS, which was disposed off in the third quarter of FY2013.

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

	2014 S\$'000	2013 S\$'000
Declared and paid during the financial year:		
- A final tax exempt dividend of 0.1 cent per share paid in respect of FY2012	-	306
- A special tax exempt dividend of 1.0 cent per share paid in respect of FY2012	-	3,057
- An interim tax exempt dividend of 0.05 cent per share paid in respect of FY2013	-	152
Total	-	<u>3,515</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 0.2 cent per share, in respect of the current financial year	<u>604</u>	<u>-</u>
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17 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.

- 18 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	56	<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	58	<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. He is responsible for the sales and marketing efforts and the overall operation of Cheung Woh Technologies (Malaysia) Sdn. Bhd.	No change.
Law Yu Chui	54	<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.

18. 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	30	<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 Precision (Zhuhai) Co., Ltd., a wholly-owned subsidiary of the Company. He oversees the management information system, sales and finance functions in Cheung Woh Precision (Zhuhai) Co., Ltd. since 2010.</p>	No change.
Tan Hai Ting	28	<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, a wholly-owned subsidiary of the Company. She oversees the accounting and administrative functions of Cheung Woh Technologies (Johor) Sdn Bhd. since 2011.</p>	No change.

BY ORDER OF THE BOARD

Law Yu Chui
 Director
 25 April 2014