



Financial Statements And Related Announcement  
For Second Quarter Financial Period Ended 31 August 2015

## **CHEUNG WOH TECHNOLOGIES LTD**

Co. Reg. No. 197201205Z

Second Quarter Financial Statements And Related Announcement

### **PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

The Directors of Cheung Woh Technologies Ltd advise the following unaudited results of the Group for the period ended 31 August 2015.

**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**

		<b>GROUP</b>		Increase/ (decrease)	<b>GROUP</b>		Increase/ (decrease)
	Notes	2QFY16 S\$'000	2QFY15 S\$'000	%	1HFY16 S\$'000	1HFY15 S\$'000	%
Turnover		21,745	21,203	2.6	42,972	40,315	6.6
Cost of sales		(16,708)	(17,442)	(4.2)	(33,314)	(33,910)	(1.8)
Gross profit		5,037	3,761	33.9	9,658	6,405	50.8
Other operating income	a	901	1,732	(48.0)	2,332	3,092	(24.6)
Distribution and selling expenses		(706)	(846)	(16.5)	(1,538)	(1,500)	2.5
General and administrative expenses		(2,527)	(1,997)	26.5	(4,453)	(3,820)	16.6
Finance costs		(54)	(22)	145.5	(116)	(52)	123.1
Share of results of associate companies		17	524	(96.8)	382	1,310	(70.8)
Profit before taxation	b	2,668	3,152	(15.4)	6,265	5,435	15.3
Income tax expense		215	(36)	n.m.	(226)	(72)	213.9
Profit for the financial period		2,883	3,116	(7.5)	6,039	5,363	12.6
Other comprehensive income:							
Foreign currency translation gain/(loss)		1,213	(199)		101	(1,056)	
Total comprehensive income for the financial period		4,096	2,917		6,140	4,307	
Profit attributable to:							
Equity owners of the Company		2,883	3,127		6,042	5,387	
Non-controlling interests		-	(11)		(3)	(24)	
		2,883	3,116		6,039	5,363	
Total comprehensive income attributable to:							
Equity owners of the Company		4,096	2,932		6,143	4,344	
Non-controlling interests		-	(15)		(3)	(37)	
		4,096	2,917		6,140	4,307	
Earnings per share (cents)							
Basic and diluted		0.95	1.03		2.00	1.78	

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		
	2QFY16 S\$'000	2QFY15 S\$'000	1HFY16 S\$'000	1HFY15 S\$'000	
a	The Group's other operating income included the following:				
	Sales of scrap metal	694	880	1,868	1,655
	Foreign exchange gain	-	268	-	708
	Income from insurance claim	-	246	14	246
	Rental income	150	150	300	260
	Sundry income	48	179	126	209
	Interest income	9	9	24	14
b	The Group's profit before taxation is arrived at after charging/(crediting):				
	Amortisation and depreciation	2,119	1,909	4,173	3,744
	Loss on disposal of plant and equipment	35	140	240	140
	(Write-back)/allowance for impairment on trade receivables	-	(6)	-	51
	Interest expense on interest-bearing loans and borrowings	54	22	116	52
	Foreign exchange loss	319	-	150	-
	Allowance for/(write-back of) inventories obsolescence	4	-	24	(2)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	31.8.2015	28.2.2015	31.8.2015	28.2.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	65,757	55,131	1,738	1,741
Investment properties	2,689	2,722	2,689	2,722
Intangible assets	71	74	62	64
Investments in subsidiary companies	-	-	42,920	42,924
Investments in associate companies	16,873	16,491	15,662	15,662
Investment in a quoted equity	1	1	-	-
Deferred tax assets	237	266	-	-
	<b>85,628</b>	<b>74,685</b>	<b>63,071</b>	<b>63,113</b>
<b>Current assets</b>				
Inventories	16,104	13,357	-	-
Trade receivables	18,871	20,412	72	-
Amounts due from an associate company	5	2	-	-
Other receivables	2,023	2,401	9,483	2,520
Other current assets	3,283	5,287	121	62
Cash and bank balances	8,224	16,545	524	7,623
	<b>48,510</b>	<b>58,004</b>	<b>10,200</b>	<b>10,205</b>
<b>Total assets</b>	<b>134,138</b>	<b>132,689</b>	<b>73,271</b>	<b>73,318</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	6,478	8,236	41	-
Other payables	6,870	7,915	478	820
Amount due to an associate company	49	283	-	-
Interest-bearing loans and borrowings	6,942	4,632	5,676	2,727
Income tax payable	284	334	-	-
	<b>20,623</b>	<b>21,400</b>	<b>6,195</b>	<b>3,547</b>
<b>Net current assets</b>	<b>27,887</b>	<b>36,604</b>	<b>4,005</b>	<b>6,658</b>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	1,266	1,834	-	-
Deferred tax liabilities	2,337	2,661	-	-
	<b>3,603</b>	<b>4,495</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>24,226</b>	<b>25,895</b>	<b>6,195</b>	<b>3,547</b>
<b>Net assets</b>	<b>109,912</b>	<b>106,794</b>	<b>67,076</b>	<b>69,771</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	50,200	50,200	50,200	50,200
Treasury shares	(1,923)	(1,923)	(1,923)	(1,923)
Revenue reserve	60,898	57,878	18,799	21,494
Statutory reserve	1,123	1,123	-	-
Foreign currency translation reserve	(387)	(488)	-	-
	<b>109,911</b>	<b>106,790</b>	<b>67,076</b>	<b>69,771</b>
<b>Non-controlling interests</b>	<b>1</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>109,912</b>	<b>106,794</b>	<b>67,076</b>	<b>69,771</b>
<b>Total equity and liabilities</b>	<b>134,138</b>	<b>132,689</b>	<b>73,271</b>	<b>73,318</b>

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

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

As at 31.08.2015		As at 28.02.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
6,942	-	4,632	-

B) Amount repayable after one year

As at 31.08.2015		As at 28.02.2015	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,266	-	1,834	-

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**

	GROUP		GROUP	
	2QFY16 S\$'000	2QFY15 S\$'000	1HFY16 S\$'000	1HFY15 S\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	2,668	3,152	6,265	5,435
Adjustments for:				
Amortisation and depreciation	2,119	1,909	4,173	3,744
Loss on disposal of property, plant and equipment	35	140	240	140
Unrealised exchange loss	533	1	131	(28)
Interest expense	54	22	116	52
Allowance for/(write-back of) inventories obsolescence	4	-	24	(2)
Share of results of associate companies	(17)	(524)	(382)	(1,310)
Interest income	(9)	(9)	(24)	(14)
(Write-back of)/impairment loss on trade receivables	-	(6)	-	51
<b>Operating cash flows before changes in working capital</b>	<b>5,387</b>	<b>4,685</b>	<b>10,543</b>	<b>8,068</b>
(Increase)/decrease in:				
Inventories	(835)	248	(2,771)	1,850
Trade receivables	(1,695)	(1,697)	1,644	(5,852)
Amount due from an associate company	(5)	(1)	(3)	319
Other receivables and prepayments	3,117	(2,409)	2,320	(3,181)
(Decrease)/increase in:				
Trade payables	(2,109)	1,038	(1,858)	1,385
Other payables	(1,509)	1,901	(1,045)	4,109
Amount due to an associate company	(195)	(377)	(233)	(267)
Exchange differences arising from consolidation	774	(277)	256	(793)
<b>Cash flow generated from operations</b>	<b>2,930</b>	<b>3,111</b>	<b>8,853</b>	<b>5,638</b>
Interest received	9	9	24	14
Interest paid	(54)	(22)	(116)	(52)
Income tax refunded/(paid)	15	115	(423)	100
<b>Net cash flow generated from operating activities</b>	<b>2,900</b>	<b>3,213</b>	<b>8,338</b>	<b>5,700</b>

**1(c) A consolidated statement of cash flow, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	GROUP		GROUP	
	2QFY16 S\$'000	2QFY15 S\$'000	1HFY16 S\$'000	1HFY15 S\$'000
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(3,636)	(3,483)	(8,526)	(5,167)
Proceeds from disposal of property, plant and equipment	22	46	56	46
Increase in advance payment to suppliers of property plant and equipment	(2,304)	-	(6,773)	-
<b>Net cash flow used in investing activities</b>	<b>(5,918)</b>	<b>(3,437)</b>	<b>(15,243)</b>	<b>(5,121)</b>
<b>Cash flow from financing activities</b>				
Repayment of interest-bearing loans and borrowings	(417)	(1,731)	(1,208)	(2,561)
Increase in cash and cash equivalents subject to restrictions	-	(5)	(4)	(5)
Dividends paid on ordinary shares	(3,022)	(604)	(3,022)	(604)
Proceeds from interest-bearing loans and borrowings	-	3,351	2,750	4,620
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(3,439)</b>	<b>1,011</b>	<b>(1,484)</b>	<b>1,450</b>
Net (decrease)/increase in cash and cash equivalents	(6,457)	787	(8,389)	2,029
Cash and cash equivalents at beginning of financial period	14,292	11,852	16,400	10,720
Effect of exchange rate changes on cash and cash equivalents	255	(21)	79	(131)
<b>Cash and cash equivalents at end of financial period</b>	<b>8,090</b>	<b>12,618</b>	<b>8,090</b>	<b>12,618</b>

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

	GROUP	
	31.08.2015 S\$'000	31.08.2014 S\$'000
Cash and bank balances	8,090	12,618
Fixed deposits	134	160
	<u>8,224</u>	<u>12,778</u>
Less:		
Cash and cash equivalents subject to restriction *	(134)	(160)
<b>Cash and cash equivalents at end of financial period</b>	<b>8,090</b>	<b>12,618</b>

\* 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 S\$'000	Treasury shares S\$'000	Revenue reserve S\$'000	Statutory reserve S\$'000	Foreign currency translation reserve S\$'000	Total other reserves S\$'000	Total equity attributable to equity owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>GROUP</b>									
<b>Balance as at 28.02.2015</b>	50,200	(1,923)	57,878	1,123	(488)	635	106,790	4	106,794
Total comprehensive income for the financial period	-	-	6,042	-	101	101	6,143	(3)	6,140
Dividends paid on ordinary shares	-	-	(3,022)	-	-	-	(3,022)	-	(3,022)
<b>Balance as at 31.08.2015</b>	50,200	(1,923)	60,898	1,123	(387)	736	109,911	1	109,912
<b>Balance as at 28.02.2014</b>	50,200	(1,923)	47,618	859	(6,196)	(5,337)	90,558	855	91,413
Total comprehensive income for the financial period	-	-	5,387	-	(1,043)	(1,043)	4,344	(37)	4,307
Dividends paid on ordinary shares	-	-	(604)	-	-	-	(604)	-	(604)
<b>Balance as at 31.08.2014</b>	50,200	(1,923)	52,401	859	(7,239)	(6,380)	94,298	818	95,116



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

	Share capital S\$'000	Treasury shares S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b>COMPANY</b>				
<b>Balance as at 28.02.2015</b>	50,200	(1,923)	21,494	69,771
Total comprehensive income for the financial period	-	-	327	327
Dividends paid on ordinary shares	-	-	(3,022)	(3,022)
<b>Balance as at 31.08.2015</b>	<u>50,200</u>	<u>(1,923)</u>	<u>18,799</u>	<u>67,076</u>
<b>Balance as at 28.02.2014</b>	50,200	(1,923)	24,260	72,537
Total comprehensive income for the financial period	-	-	(115)	(115)
Dividends paid on ordinary shares	-	-	(604)	(604)
<b>Balance as at 31.08.2014</b>	<u>50,200</u>	<u>(1,923)</u>	<u>23,541</u>	<u>71,818</u>

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>	
	No. of shares (('000)	(S\$'000)
Ordinary shares-Issued and fully paid		
Balance as at 1 June 2015 and 31 August 2015	<u>313,085</u>	<u>50,200</u>

There was no change in the Company's share capital from 28 February 2015 to 31 August 2015.

As at 31 August 2015, the Company held 10,873,000 of its issued shares as Treasury Shares (31 August 2014: 10,873,000).

The Company does not have any outstanding options or convertibles at the end of the financial period under review (31 August 2014: Nil).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.08.2015	28.02.2015
	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 2015 except that the Group has adopted new Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 January 2015/1 March 2015.

**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			
	2QFY16	2QFY15	1HFY16	1HFY15
Profit attributable to shareholders (\$'000)	2,883	3,127	6,042	5,387
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	0.95	1.03	2.00	1.78

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	
	31.8.2015	28.2.2015	31.8.2015	28.2.2015
Net asset value per ordinary share based on share capital at the end of the period (cents)	36.37	35.34	22.20	23.09

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.2.2015: 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 a turnover of \$21.7 million for the second quarter ended 31 August 2015 (2QFY16), an increase of 2.6% as compared to \$21.2 million in the corresponding financial period in FY2015 (2QFY15). Revenue in HDD components segment increased by 8.4% quarter-on-quarter. The increase was mainly attributable to the appreciation of United States Dollars (USD) against Singapore Dollars (SGD) as the sales in HDD components segment are denominated in USD. On the other hand, revenue in Precision Metal Stamping (PMS) components segment decreased by 21.5% quarter-on-quarter. The decline in sales was due to decrease in customers demand and the depreciation of Ringgit Malaysia (RM) against SGD as the sales in PMS components segment are mainly denominated in RM.

The Group's cost of sales (COS) decreased by 4.2% (approximately \$0.7 million) as compared to 2QFY15. Gross profit margin improved quarter-on-quarter due to the movement of foreign exchange rates. The appreciation of USD against SGD has given rise to higher turnover. At the same time, the depreciation of RM against SGD has driven down COS when translated into SGD.

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

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

Other operating income decreased by 48.0% (approximately \$0.8 million) as compared to 2QFY15 mainly attributable to decreases in selling price of scrap metal (approximately \$0.3 million) and foreign exchange gain (approximately \$0.3 million), and an absence of income from insurance claim (approximately \$0.2 million).

Distribution and selling expenses decreased by 16.5% (approximately \$0.1 million) as compared to 2QFY15 mainly due to more efficient logistic arrangement. General and administrative expenses increased by 26.5% (approximately \$0.5 million) as compared to 2QFY15 mainly due to foreign exchange loss of approximately \$0.3 million and increase in depreciation expenses (approximately \$0.2 million) in 2QFY16. This is partially offset by decrease in loss on disposal of plant and equipment.

Finance cost increased by approximately \$0.03 million in 2QFY16 mainly due to higher balance of interest-bearing loans and borrowings.

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 decreased by 96.8% (approximately \$0.5 million) mainly due to lower profits generated by Jiangsu Tysan Precision Engineering (Suzhou) Co., Ltd group of companies (TP Group). The decrease in profits generated by TP Group was mainly due to lower demand by customers.

### **Statement of financial position**

The Group's non-current assets increased by 14.7% (approximately \$10.9 million) as compared to previous financial year ended 28 February 2015 (FY15) mainly contributed by increases in property, plant and equipment and investments in associate companies. Property, plant and equipment increased by 19.3% (approximately \$10.6 million) mainly due to reclassification from other current assets upon completion of transfer of land titles (approximately \$6.7 million) for the two recently acquired factories and additions of plant and equipment (approximately \$8.2 million). The increase was partially offset by depreciation expenses (approximately \$4.2 million). Investments in associate companies increased by 2.3% (approximately \$0.4 million) due to share of profit after tax derived from associate companies during the first half of financial year.

The Group's current assets decreased by 16.4% (approximately \$9.5 million) mainly due to decreases in trade receivables, other receivables, other current assets and cash and bank balances. Trade receivables decreased by 7.5% (approximately \$1.5 million) mainly due to lower sales generated in 2QFY16 as compared to fourth quarter in FY15. Other receivables decreased by 15.7% (approximately \$0.4 million) mainly due to decreases in amounts receivable from scrap collectors and tax authorities in China. Other current assets decreased by 37.9% (approximately \$2.0 million) mainly due to reclassification of deposits paid upon completion for the acquisition of factories and machineries. The decreases were partially offset by increase in inventories. Inventories increased by 20.6% (approximately \$2.7 million) as compared to FY15 mainly due to planned building up of inventory. Other receivables of the Company increased substantially (approximately \$7.0 million) mainly due to increase in receivables from subsidiaries. Cash and bank balances of the Company decreased substantially (approximately \$7.1 million) mainly due to advances given to subsidiaries and payment of dividends (approximately \$3.0 million) to shareholders.

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

**Statement of financial position (cont'd)**

The Group's current liabilities decreased by 3.6% (approximately \$0.8 million) mainly due to decreases in trade payables, other payables and amount due to an associate company. Trade payables decreased by 21.3% (approximately \$1.8 million) mainly due to lesser purchases in 2QFY16 as compared to fourth quarter of FY15. Other payables decreased by 13.2% (approximately \$1.0 million) due to decreases in accrued operating expenses and tooling deposits received from customers. Amount due to an associate company decreased by 82.7% (approximately \$0.2 million) mainly due to repayment made to the associate company. The decreases were partially offset by increase in interest-bearing loans and borrowings which were obtained to finance the purchase of plant and machineries and factory in subsidiary companies.

The Group's non-current liabilities decreased by 19.8% (approximately \$0.9 million) as compared to FY15 due to decreases in interest-bearing loans and borrowings (non-current portion) and deferred tax liabilities. The interest-bearing loans and borrowings (non-current portion) decreased by 31.0% (approximately \$0.6 million) due to repayment made during the financial period. Deferred tax liabilities decreased by 12.2% (approximately \$0.3 million) mainly due to reversal of deferred tax provision in prior years.

**Consolidated statement of cash flows**

During 2QFY16, the Group has net cash flow generated from operating activities of \$2.9 million as compared to \$3.2 million generated in 2QFY15. The net cash generated from operating activities was mainly contributed by decreases in other receivables and prepayments. This was partially offset by increases in inventories and trade receivables and decreases in trade and other payables.

In investing activities, the Group used \$5.9 million during 2QFY16 as compared to \$3.4 million used in 2QFY15. The net cash used was mainly for purchases of property, plant and equipment and advance payment to suppliers of property, plant and equipment.

During 2QFY16, the Group used \$3.4 million in financing activities as contrast with \$1.0 million generated in 2QFY15. The net cash used was mainly on payment of dividends on ordinary shares and repayment of interest-bearing loans and borrowings.

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

There is no variance from the previous financial results announcement for the first quarter period ended 31 May 2015.

**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 both HDD components and PMS components segments are expected to do well. However, the Group views that the unclear global financial conditions and volatility in foreign exchange may pose some 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	Interim
Dividend Type	Cash
Dividend Rate	0.5 cent per ordinary share
Tax Rate	Tax Exempt (One-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Interim
Dividend Type	Cash
Dividend Rate	0.5 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 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, statement to that effect.**

The Group does not have a general mandate from its shareholders for interested person transactions.

**Confirmation by the Board**

On behalf of the Board of Directors, we, the undersigned, hereby confirm to the best of our knowledge that nothing has to come to the attention of the Board of Directors of the Company which may render the unaudited financial results of Cheung Woh Technologies Ltd for the second quarter ended 31 August 2015 set out above to be false or misleading in any material respects.

For and On behalf of the Board of Directors

Law Kung Ying  
Director

Law Yu Chui  
Director

12 October 2015