



Financial Statements And Related Announcement  
For Third Quarter Financial Period Ended 30 November 2017

## **CHEUNG WOH TECHNOLOGIES LTD**

Co. Reg. No. 197201205Z

Third Quarter Financial Statements And Related Announcement

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

The Directors of Cheung Woh Technologies Ltd advise the following unaudited results of the Group for the period ended 30 November 2017.

**1(a) A consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Statement of Comprehensive Income**

	Notes	GROUP		Increase/ (decrease) %	GROUP		Increase/ (decrease) %
		3QFY18 S\$'000	3QFY17 S\$'000		3QYTDFY18 S\$'000	3QYTDFY17 S\$'000	
Turnover		21,547	20,360	5.8	52,095	63,031	(17.4)
Cost of sales		(19,631)	(16,970)	15.7	(53,894)	(51,928)	3.8
Gross profit/(loss)		1,916	3,390	(43.5)	(1,799)	11,103	n.m.
Other operating income	a	1,236	823	50.2	3,804	3,002	26.7
Distribution and selling expenses		(1,140)	(838)	36.0	(2,881)	(2,351)	22.5
General and administrative expenses		(2,061)	(3,621)	(43.1)	(6,156)	(7,502)	(17.9)
Finance costs		(174)	(136)	27.9	(461)	(342)	34.8
Share of results of associate companies		(72)	788	n.m.	10	1,940	(99.5)
(Loss)/profit before taxation	b	(295)	406	n.m.	(7,483)	5,850	n.m.
Income tax expense		(154)	(142)	8.5	(356)	(491)	(27.5)
(Loss)/profit for the financial period		(449)	264	n.m.	(7,839)	5,359	n.m.
Other comprehensive income:							
Foreign currency translation (loss)/gain		(485)	1,888		(1,070)	(1,914)	
Total comprehensive (loss)/income for the financial period		(934)	2,152		(8,909)	3,445	
(Loss)/profit attributable to:							
Equity owners of the Company		(449)	264		(7,839)	5,359	
		(449)	264		(7,839)	5,359	
Total comprehensive (loss)/income:							
Equity owners of the Company		(934)	2,152		(8,909)	3,445	
		(934)	2,152		(8,909)	3,445	
Earnings per share (cents)							
Basic and diluted		(0.15)	0.09		(2.59)	1.77	

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>	<b>GROUP</b>		<b>GROUP</b>	
	3QFY18 S\$'000	3QFY17 S\$'000	3QYTD FY18 S\$'000	3QYTD FY17 S\$'000
a The Group's other operating income included the following:				
Sales of scrap metal	970	701	2,293	2,277
Foreign exchange gain	199	-	1,254	-
Sundry income	38	74	156	256
Rental income	26	40	77	344
Interest income	3	8	24	21
Write-back of doubtful debts	-	-	-	92
Gain on disposal of property, plant and equipment	-	-	-	12
b The Group's profit before taxation is arrived at after charging/(crediting):				
Amortisation and depreciation	2,512	2,254	7,533	6,454
Foreign exchange loss	-	1,379	-	864
Interest expense on interest-bearing loans and borrowings	174	136	461	342
Write-down of inventories	-	234	-	234
Allowance for/(write-back of) inventories obsolescence	26	(111)	26	(102)
Loss on disposal of property, plant and equipment	1	16	2	-
Property, plant and equipment written-off	-	6	-	6
Inventories written-off	10	-	2,630	-

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

	GROUP		COMPANY	
	30.11.2017	28.2.2017	30.11.2017	28.2.2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	75,528	70,546	1,593	1,570
Investment properties	2,542	2,591	2,542	2,591
Intangible assets	134	117	125	109
Investments in subsidiary companies	-	-	44,397	44,397
Investments in associate companies	14,825	18,133	15,662	15,662
Deferred tax assets	201	199	148	148
	<u>93,230</u>	<u>91,586</u>	<u>64,467</u>	<u>64,477</u>
<b>Current assets</b>				
Inventories	16,184	11,954	-	-
Trade receivables	20,404	16,434	-	-
Amounts due from an associate company	175	93	-	-
Other receivables	4,205	2,339	11,087	2,137
Other current assets	2,476	3,276	199	173
Cash and bank balances	9,121	10,745	4,405	920
	<u>52,565</u>	<u>44,841</u>	<u>15,691</u>	<u>3,230</u>
<b>Total assets</b>	<u>145,795</u>	<u>136,427</u>	<u>80,158</u>	<u>67,707</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	10,793	5,632	45	65
Other payables	11,197	5,141	687	561
Amount due to an associate company	-	244	-	-
Interest-bearing loans and borrowings	18,946	10,231	11,440	1,784
Income tax payable	357	142	-	-
	<u>41,293</u>	<u>21,390</u>	<u>12,172</u>	<u>2,410</u>
<b>Net current assets</b>	<u>11,272</u>	<u>23,451</u>	<u>3,519</u>	<u>820</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	2,899	4,063	-	-
Deferred tax liabilities	2,113	2,273	-	-
	<u>5,012</u>	<u>6,336</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>46,305</u>	<u>27,726</u>	<u>12,172</u>	<u>2,410</u>
<b>Net assets</b>	<u>99,490</u>	<u>108,701</u>	<u>67,986</u>	<u>65,297</u>
<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	55,746	63,887	19,709	17,020
Statutory reserve	1,219	1,219	-	-
Foreign currency translation reserve	(5,752)	(4,682)	-	-
<b>Total equity</b>	<u>99,490</u>	<u>108,701</u>	<u>67,986</u>	<u>65,297</u>
<b>Total equity and liabilities</b>	<u>145,795</u>	<u>136,427</u>	<u>80,158</u>	<u>67,707</u>

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

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

As at 30.11.2017		As at 28.02.2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
7,506	11,440	8,447	1,784

# The amount of \$7,506,000 (28.02.2017: \$8,447,000) includes \$3,912,000 (28.02.2017: \$4,356,000) repayable after one year based on the scheduled repayment dates in the loan agreements. The amount is classified as repayable in one year or less, or on demand in compliance with accounting standard.

B) Amount repayable after one year

As at 30.11.2017		As at 28.02.2017	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
2,899	-	4,063	-

C) Details of any collateral

- i) Certain bank borrowings of the Group and the Company are unsecured; and
- ii) The bank borrowings of certain subsidiary companies are secured by legal mortgage over the subsidiary companies' properties and corporate guarantee from the Company.

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

	GROUP		GROUP	
	3QFY18 S\$'000	3QFY17 S\$'000	3QYTD FY18 S\$'000	3QYTD FY17 S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit before taxation	(295)	406	(7,483)	5,850
Adjustments for:				
Amortisation and depreciation	2,512	2,254	7,533	6,454
Loss/(gain) on disposal of property, plant and equipment	1	16	2	(12)
Unrealised exchange (gain)/loss	(17)	(418)	76	(272)
Write-down of inventories	-	234	-	234
Interest expense	174	136	461	342
Allowance for/(write-back of) inventories obsolescence	26	(111)	26	(102)
Share of results of associate companies	72	(788)	(10)	(1,940)
Inventories written-off	10	-	2,630	-
Interest income	(3)	(8)	(24)	(21)
Property, plant and equipment written-off	-	6	-	6
<b>Operating cash flows before changes in working capital</b>	<b>2,480</b>	<b>1,727</b>	<b>3,211</b>	<b>10,539</b>
(Increase)/decrease in:				
Inventories	(1,009)	(1,733)	(6,792)	(2,478)
Trade receivables	(7,571)	(278)	(4,216)	2,326
Amount due from an associate company	(175)	84	(82)	5
Other receivables and prepayments	(650)	1,220	(3,514)	(823)
(Decrease)/increase in:				
Trade payables	1,721	481	4,851	1,529
Other payables	1,189	1,689	5,603	2,042
Amount due to an associate company	-	(90)	-	(43)
<b>Cash flow (used in)/ generated from operations</b>	<b>(4,015)</b>	<b>3,100</b>	<b>(939)</b>	<b>13,097</b>
Interest received	3	8	24	21
Interest paid	(174)	(136)	(461)	(342)
Income tax paid	(189)	(35)	(281)	(104)
<b>Net cash flow (used in)/ generated from operating activities</b>	<b>(4,375)</b>	<b>2,937</b>	<b>(1,657)</b>	<b>12,672</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	
	3QFY18 S\$'000	3QFY17 S\$'000	3QYTD FY18 S\$'000	3QYTD FY17 S\$'000
<b>Cash flow from investing activities</b>				
Additions to intangible assets	-	-	(23)	-
Purchase of property, plant and equipment	(1,543)	(2,796)	(7,818)	(17,114)
Proceeds from disposal of property, plant and equipment	3	52	3	534
Advance payment to suppliers of property, plant and equipment	(7)	-	(2,672)	-
Dividend income received from associate	3,318	-	3,318	-
Proceeds from disposal of investment in a quoted equity	-	-	-	1
<b>Net cash flow generated from/(used in) investing activities</b>	<b>1,771</b>	<b>(2,744)</b>	<b>(7,192)</b>	<b>(16,579)</b>
<b>Cash flow from financing activities</b>				
Repayment of interest-bearing loans and borrowings	(4,944)	(3,084)	(17,145)	(12,147)
Increase in cash and cash equivalents subject to restrictions	-	-	(5)	-
Dividends paid on ordinary shares	-	(906)	(302)	(3,173)
Proceeds from interest-bearing loans and borrowings	6,301	2,201	24,848	15,730
<b>Net cash flow generated from/(used in) financing activities</b>	<b>1,357</b>	<b>(1,789)</b>	<b>7,396</b>	<b>410</b>
Net decrease in cash and cash equivalents	(1,247)	(1,596)	(1,453)	(3,497)
Cash and cash equivalents at beginning of financial period	10,183	12,234	10,615	14,499
Effect of exchange rate changes on cash and cash equivalents	45	74	(181)	(290)
<b>Cash and cash equivalents at end of financial period</b>	<b>8,981</b>	<b>10,712</b>	<b>8,981</b>	<b>10,712</b>

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

	GROUP	
	30.11.2017 S\$'000	30.11.2016 S\$'000
Cash and bank balances	8,981	10,712
Fixed deposits	140	127
	<b>9,121</b>	<b>10,839</b>
Less:		
Cash and cash equivalents subject to restriction *	(140)	(127)
Cash and cash equivalents at end of financial period	<b>8,981</b>	<b>10,712</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						Total equity attributable to equity owners of the Company S\$'000
	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	
<b>GROUP</b>							
<b>Balance as at 28.02.2017</b>	50,200	(1,923)	63,887	1,219	(4,682)	(3,463)	108,701
Total comprehensive loss for the financial period	-	-	(7,839)	-	(1,070)	(1,070)	(8,909)
Dividends paid on ordinary shares	-	-	(302)	-	-	-	(302)
<b>Balance as at 30.11.2017</b>	50,200	(1,923)	55,746	1,219	(5,752)	(4,533)	99,490
<b>Balance as at 28.02.2016</b>	50,200	(1,923)	63,511	1,170	(1,702)	(532)	111,256
Total comprehensive income for the financial period	-	-	5,359	7	(1,921)	(1,914)	3,445
Dividends paid on ordinary shares	-	-	(3,173)	-	-	-	(3,173)
<b>Balance as at 30.11.2016</b>	50,200	(1,923)	65,697	1,177	(3,623)	(2,446)	111,528



- 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 28.02.2017</b>	50,200	(1,923)	17,020	65,297
Total comprehensive income for the financial period	-	-	2,991	2,991
Dividends paid on ordinary shares	-	-	(302)	(302)
<b>Balance as at 30.11.2017</b>	<b>50,200</b>	<b>(1,923)</b>	<b>19,709</b>	<b>67,986</b>
<b>Balance as at 28.02.2016</b>	50,200	(1,923)	19,145	67,422
Total comprehensive income for the financial period	-	-	251	251
Dividends paid on ordinary shares	-	-	(3,173)	(3,173)
<b>Balance as at 30.11.2016</b>	<b>50,200</b>	<b>(1,923)</b>	<b>16,223</b>	<b>64,500</b>

- 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

	<b>Group and Company</b>	
	No. of shares (('000)	(S\$'000)
Ordinary shares - Issued and fully paid:		
Balance as at 1 Sep 2017 and 30 November 2017	313,085	50,200

There was no change in the Company's share capital from 28 February 2017 to 30 November 2017.

As at 30 November 2017, the Company held 10,873,000 of its issued shares as Treasury Shares (30 November 2016: 10,873,000).

The Company does not have any outstanding options or convertibles at the end of the financial period under review (30 November 2016: Nil).

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

	30.11.2017	28.02.2017
	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 2017 except that the Group has adopted new Financial Reporting Standards ("FRS") which became effective for periods beginning on or after 1 January 2017/1 March 2017.

**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**

	<b>GROUP</b>			
	3QFY18	3QFY17	3QYTDFY18	3QYTDFY17
(Loss)/profit attributable to shareholders (\$'000)	(449)	264	(7,839)	5,359
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	(0.15)	0.09	(2.59)	1.77

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**

	<b>GROUP</b>		<b>COMPANY</b>	
	30.11.2017	28.2.2017	30.11.2017	28.2.2017
Net asset value per ordinary share based on				
share capital at the end of the period (cents)	32.92	35.97	22.50	21.61

The calculation of the net asset value per ordinary share was based on total number of 302,212,000 (28.2.2017: 302,212,000) ordinary shares (excluding treasury shares).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Consolidated statement of comprehensive income**

The Group has reported turnover of \$21.5 million for the third quarter ended 30 November 2017 (3QFY18), an increase of 5.8% (or \$1.2 million) as compared to \$20.4 million in the corresponding financial period in FY2017 (3QFY17). The increase was attributable to higher sales in HDD components segment which increased by 9.3% quarter-on-quarter. Transitional period of phasing in the manufacturing of Baseplates has completed in 3QFY18 and led to a significant increase in sales of Baseplates. The increase in sales of Baseplates was however partially offset by decrease in customers' demand for air-combs.

The Group's cost of sales (COS) increased by 15.7% (or \$2.7 million) as compared to 3QFY17. The higher sales have brought about a higher COS. However the increase in COS was not in line with increase in turnover mainly due to higher materials and labour costs incurred.

As a result, the gross profit margin declined as compared to 3QFY17.

Other operating income increased by 50.2% (or \$413K) as compared to 3QFY17. The increase was mainly due to increases in sales of scrap metal (\$269K) and foreign exchange gain (\$199K).

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

Distribution and selling expenses increased by 36.0% (or \$302K) as compared to 3QFY17 mainly due to higher carriage outwards incurred in 3QFY18 for transporting Baseplates by land.

General and administrative expenses decreased by 43.1% (or \$1.6 million) as compared to 3QFY17 mainly attributed to decrease in foreign exchange loss (\$1.4 million).

Finance costs increased by 27.9% (or \$38K) as compared to 3QFY17 mainly due to increase in interest-bearing loans and borrowings.

Share of results of associate companies represents the Group's interest in the profit after taxation of Jiangsu Tysan Precision Engineering Co., Ltd. group of companies ("TP Group"). During 3QFY18, TP Group has recorded lower revenue as compared to 3QFY17. Both the gross and net profits have declined. As a result, the share of results of associate companies decreased as compared to 3QFY17.

### **Statement of financial position**

The Group's non-current assets increased by 1.8% (or \$1.6 million) as compared to previous financial year ended 28 February 2017 (FY17). The increase was contributed by an increase in property, plant and equipment (\$5.0 million). It was offset by a decrease in investments in associate companies due to dividend declared during the current financial year.

The Group's current assets increased by 17.2% (or \$7.7 million) as compared to FY17 mainly due to increases in inventories, trade and other receivables. Inventories increased by \$4.2 million as compared to FY17 mainly due to a high inventory level for Baseplates given its long manufacturing process with significant amounts of work-in-progress in the pipelines and finished goods at customers' designated warehouses. Besides that, as the mode of transporting Baseplates have been gradually changed from land to seas which takes a longer time to reach its destination, more inventories were kept. Trade receivables increased by \$4.0 million mainly due to the higher sales generated towards the end of 3QFY18. Other receivables increased by \$1.9 million mainly attributed to higher value-added-tax recoverable in subsidiaries in China. The increases were partially offset by decreases in other current assets and cash and bank balances. Other current assets decreased by \$0.8 million mainly due to lower balance of advance payments made for the acquisitions of plant and machineries of \$1.3 million which was offset by an increase in prepayments of \$0.5 million. The lower balance was a result of the reclassification to property, plant and equipment upon full payments. The increase in prepayments was made to vendors for a project undertaken by Precision Metal Stamping components segment. At the Company level, other receivables increased by \$9.0 million mainly due to increase in inter-companies receivables.

The Group's current liabilities increased by 93.0% (or \$19.9 million) as compared to FY17 mainly due to increases in trade and other payables and interest-bearing loans and borrowings. Trade payables increased by \$5.2 million mainly due to more purchases made in 3QFY18 as compared to 4QFY17 and longer credit terms granted by vendors. Other payables increased by \$6.1 million mainly due to higher accrued operating and personnel expenses in subsidiaries in Zhuhai and more deposits received from customers and higher balance of payables on purchase of machinery. Higher interest-bearing loans and borrowings (current portion) was mainly due to additional financing obtained during the current financial year.

The Group's non-current liabilities decreased by 20.9% (or \$1.3 million) as compared to FY17 mainly due to the transfer of interest-bearing loans and borrowings due within the next twelve months from non-current liabilities to current liabilities.

**Consolidated statement of cash flows**

During 3QFY18, the Group has net cash flow used in operating activities of \$4.4 million in contrast with \$2.9 million generated during 3QFY17. The net cash flows used in operating activities was mainly attributed to increases in inventories, trade receivables and other receivables and prepayments. It was partially offset by increases in trade and other payables.

In investing activities, the Group generated net cash flow of \$1.8 million during 3QFY18 in contrast with \$2.7 million used during 3QFY17. The net cash generated was mainly attributed to dividend income received from associate which was partially offset by purchases of property, plant and equipment.

During 3QFY18, the Group has net cash flow generated from financing activities of \$1.4 million in contrast with \$1.8 million used during 3QFY17. The net cash flow generated in 3QFY18 was contributed by proceeds from interest-bearing loans and borrowings after offsetting the 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**

As mentioned in the 2QFY18 Results Announcement, turnover in HDD components segment will continue to be affected during the transitional period of phasing in the manufacturing of Baseplates. The transitional period has completed in 3QFY18. The Group has made a loss for 3QFY18 as the production of Baseplates has not reached its target yield. Production was also disrupted due to down-time required to repair and reset machines that were damaged by heavy rainfall caused by Typhoon Hato and a temporary shortage of manpower as some workers had left after the typhoon.

The Company has made a profit guidance announcement in this regard on 3 January 2018.

**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 Baseplates is anticipated to be affected for the 4QFY18 due to depletion of headcounts before and after the Chinese New Year and the long shut down period in China for Chinese New Year. Production of Baseplates continues to work towards its target yield.

Precision Metal Stamping components segment is expected to do well.

**11 Dividend**

**(a) Current Financial Period Reported On**

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

No.

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

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

No.

**(c) Date payable**

Not applicable.

**11 Dividend (cont'd)**

**(d) Books closure date**

Not applicable

**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.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in the Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officer.

**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 third quarter ended 30 November 2017 set out above to be false or misleading in any material aspects.

For and On behalf of the Board of Directors

Law Kung Ying  
Director

Law Yu Chui  
Director

8 January 2018