

**PROFIT GUIDANCE**

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The Board of Directors (the “Board”) of Cheung Woh Technologies Ltd (the “Company”, together with its subsidiaries, collectively the “Group”) wishes to issue a profit guidance in respect of the fourth quarter financial results for the period ended 28 February 2018 (“4QFY2018”).

The Group expects to report a loss for 4QFY2018 due to the following reasons:

- (i) Lower turnover in Baseplates in February 2018 due to long shut down period in China for Chinese New Year.
- (ii) Headcount depletion before and after Chinese New Year led to hiring of temporary subcontract workers with higher wages.
- (iii) There was a one-time amortisation expense arising as a result of change in useful life of toolings and fixtures used in the manufacturing of Baseplates.
- (iv) There was an allowance for impairment on equipment that are no longer required in the manufacturing of Baseplates.
- (v) There was a write-off of tools and equipment and renovation damaged by Typhoon Hato.
- (vi) There was staff cost incurred due to internal restructuring.
- (vii) Costs incurred to repair machinery and equipment damaged by the typhoon.

This profit guidance is based on preliminary review of the Group’s unaudited financial results for 4QFY2018. Further details on the Group’s performance will be disclosed when the Company releases the unaudited financial statements for 4QFY2018 on or before 27 April 2018.

In the meantime, shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Law Yu Chui  
Director

16 April 2018