

Financial Statement Announcement for the First Quarter Ended 31 March 2012

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

- 1(a) (i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement for the first quarter ended 31 March 2012. These figures have not been audited or reviewed.

(In Singapore dollars)	Jan-Mar 2012 \$'000	Jan-Mar 2011 \$'000	+ / (-) %
Revenue	110,629	94,866	16.6
Cost of sales	(97,277)	(82,063)	18.5
Gross Profit	13,352	12,803	4.3
Other items of income			
Interest income	42	39	7.7
Other income	898	885	1.5
Other items of expense			
Marketing and distribution	(2,250)	(2,198)	2.4
Administrative expenses	(6,597)	(6,531)	1.0
Other expenses	(705)	(1,661)	(57.6)
Finance costs	(477)	(427)	11.7
Profit before tax from continuing operations	4,263	2,910	46.5
Income tax expense	(958)	(891)	7.5
Profit from continuing operations, net of tax	3,305	2,019	63.7
Profit attributable to:			
Owners of the parent	3,305	2,019	63.7

Consolidated Statement of comprehensive income for the first quarter ended 31 March 2012. These figures have not been audited or reviewed.

Profit net of tax	3,305	2,019	63.7
Other comprehensive income:			
Foreign currency translation	(2,615)	(3,358)	(22.1)
Other comprehensive loss for the period, net of tax	(2,615)	(3,358)	(22.1)
Total comprehensive income/(loss) for the period	690	(1,339)	n.m.
Total comprehensive income/(loss) attributable to:			
Owners of the Company	690	(1,339)	n.m.

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the statement of income or in the notes to the statement of income for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Profit before tax from continuing operations is stated after charging/(crediting):-

	Jan-Mar 2012 \$'000	Jan-Mar 2011 \$'000	+ / (-) %
Depreciation of property, plant and equipment	6,640	5,925	12.1
Impairment allowance/(Write-back) for doubtful debts	6	(121)	n.m.
Impairment allowance for inventories obsolescence/foreseeable losses	203	398	(49.0)
Foreign exchange loss	422	1,347	(68.7)
Property, plant and equipment written off	11	2	n.m.
Loss/(gain) on disposal of property, plant and equipment	3	(24)	n.m.

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

(In Singapore dollars)

As at	Group			Company		
	31.03.2012 \$'000	31.12.2011 \$'000	+ / (-) %	31.03.2012 \$'000	31.12.2011 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	161,156	164,446	(2.0)	7,142	7,476	(4.5)
Investment properties	1,023	1,048	(2.4)	-	-	n.m.
Intangible assets ⁽¹⁾	15,286	15,286	-	-	-	n.m.
Other investments	1	1	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	242,788	242,788	-
Deferred tax assets	676	663	2.0	-	-	n.m.
	178,142	181,444	(1.8)	249,930	250,264	(0.1)
Current assets						
Inventories	74,264	80,051	(7.2)	4,979	5,937	(16.1)
Trade and other receivables	88,799	93,948	(5.5)	48,587	46,500	4.5
Prepayments	4,093	3,887	5.3	285	88	n.m.
Cash and short term deposits	50,514	49,160	2.8	7,948	1,920	n.m.
	217,670	227,046	(4.1)	61,799	54,445	13.5
Less: Current liabilities						
Bank overdrafts	-	1,874	n.m.	-	-	n.m.
Trade and other payables	87,952	100,847	(12.8)	49,402	45,688	8.1
Loans and borrowings	48,724	45,734	6.5	11,068	10,283	7.6
Tax payable	7,363	7,435	(1.0)	851	691	23.2
	144,039	155,890	(7.6)	61,321	56,662	8.2
Net current assets/(liabilities)	73,631	71,156	3.5	478	(2,217)	n.m.
Less: Non-current liabilities						
Loans and borrowings	9,404	11,140	(15.6)	428	749	(42.9)
Deferred tax liabilities	3,478	3,470	0.2	627	627	-
	12,882	14,610	(11.8)	1,055	1,376	(23)
Net assets	238,891	237,990	0.4	249,353	246,671	1.1
Equity attributable to equity holders of the Company						
Share capital	270,831	270,831	-	270,831	270,831	-
Reserves	(31,940)	(32,841)	(2.7)	(21,478)	(24,160)	(11.1)
Total equity	238,891	237,990	0.4	249,353	246,671	1.1

(1) As at 31 March 2012, the goodwill arising from the acquisition of Akciju Sabiedriba ATEC and ATEC of Sweden AB have been provisionally determined to be S\$8.5mil. The provisional goodwill will be adjusted accordingly following the completion of the Purchase Price Allocation exercise in accordance with FRS 103 (R) Business Combinations.

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

Amount repayable in one year or less, or on demand

As at 31.03.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,732	41,992	6,638	40,970

Amount repayable after one year

As at 31.03.2012		As at 31.12.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,751	6,653	3,600	7,540

Details of any collateral

Collateral for secured borrowings is as following:

(a) Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$1.6 mil (31.12.2011: S\$1.6mil) is secured by cash and bank balances of the same amount of another subsidiary company.

(b) Short term loan S\$2.0 mil (31.12.2011 : bank overdraft S\$1.9mil) booked by UFE Pte Ltd is secured by a legal mortgage over the leasehold property. The bank has agreed to release the mortgage and we are in the process of discharging it.

(c) The term loan and finance lease of S\$1.2mil (31.12.2011: S\$1.5mil) booked by Akciju Sabiedriba ATEC is secured by certain fixed assets of said subsidiary.

(d) The finance lease of S\$4.7 mil (31.12.2011: S\$5.3mil) booked by ATEC of Sweden AB is secured by certain fixed assets of said subsidiary.

Certain borrowings of the subsidiaries were secured by corporate guarantee of the Company and have been disclosed as unsecured.

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

Consolidated statement of cash flows for the first quarter ended 31 March 2012

(In Singapore dollars)	Jan-Mar 2012 \$'000	Jan-Mar 2011 \$'000
Cash flows from operating activities:		
Profit before tax from continuing operations	4,263	2,910
Adjustments for:		
Depreciation of property, plant and equipment	6,640	5,925
Loss/(gain) on disposal of property, plant and equipment	3	(24)
Property, plant and equipment written off	11	2
Impairment allowance/(write-back) for doubtful debts	6	(121)
Impairment allowance for inventories obsolescence/foreseeable losses	203	398
Employee share award expenses	211	223
Interest expense	477	427
Interest income	(42)	(39)
Currency realignment	(818)	(232)
Operating cashflows before changes in working capital	10,954	9,469
Decrease in inventories	5,583	111
Decrease/(increase) in trade and other receivables	5,143	(1,696)
(Increase)/decrease in prepayments	(206)	308
(Decrease)/increase in trade and other payables	(14,242)	3,605
Cash flows generated from operations	7,232	11,797
Interest paid	(477)	(427)
Interest received	42	39
Income tax paid	(915)	(4,020)
Net cash from operating activities	5,882	7,389
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,184)	(5,602)
Net proceeds from disposal of property, plant and equipment	36	36
Acquisition of subsidiary, net of cash acquired	-	(2,549)
Net cash used in investing activities	(3,148)	(8,115)
Cash flows from financing activities:		
Proceeds from loans and borrowings	4,000	6,149
Repayment of loans and borrowings	(2,825)	(10,758)
Net cash generated from/(used) in financing activities	1,175	(4,609)
Net increase/(decrease) in cash and cash equivalents	3,909	(5,335)
Cash and cash equivalents at beginning of period	45,651	75,169
Effects of exchange rate changes on opening cash and cash equivalent	(650)	(1,557)
Cash and cash equivalents at end of period	48,910	68,277

Note:

	31.3.2012	31.12.2011	31.3.2011	31.12.2010
Cash & cash at bank	50,514	49,160	71,690	76,743
Less: Bank overdraft	-	(1,874)	(1,871)	-
Less: Bank balances pledged	(1,604)	(1,635)	(1,542)	(1,574)
Cash & cash equivalents	48,910	45,651	68,277	75,169

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

Statement of Changes in Equity for the first quarter ended 31 March 2012

(In Singapore dollars)

Group	Attributable to owners of the company				Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	
Balance at 01.01.2011	270,068	(17,393)	(12,795)	7,418	247,298
Profit from continuing operations, net of tax	-	2,019	-	-	2,019
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(3,271)	(87)	(3,358)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	223	223
Total transactions with owners in their capacity as owners	270,068	(15,374)	(16,066)	7,554	246,182
Balance at 31.03.2011	270,068	(15,374)	(16,066)	7,554	246,182
Balance at 01.01.2012	270,831	(33,805)	(7,105)	8,069	237,990
Profit from continuing operations, net of tax	-	3,305	-	-	3,305
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(2,546)	(69)	(2,615)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	211	211
Total transactions with owners in their capacity as owners	270,831	(30,500)	(9,651)	8,211	238,891
Balance at 31.03.2012	270,831	(30,500)	(9,651)	8,211	238,891
Company	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	Total \$'000	
Balance at 01.01.2011	270,068	(39,949)	986	231,105	
Profit from continuing operations, net of tax	-	(367)	-	(367)	
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	223	223	
Total transactions with owners in their capacity as owners	270,068	(40,316)	1,209	230,961	
Balance at 31.03.2011	270,068	(40,316)	1,209	230,961	
Balance at 01.01.2012	270,831	(25,213)	1,053	246,671	
Profit from continuing operations, net of tax	-	2,471	-	2,471	
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	211	211	
Total transactions with owners in their capacity as owners	270,831	(22,742)	1,264	249,353	
Balance at 31.03.2012	270,831	(22,742)	1,264	249,353	

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 or 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 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

Issued and fully paid	Ordinary Share
Balance as at 31.12.2011	751,898,893
	-
Balance as at 31.03.2012	751,898,893

As at 31.03.2012, the share capital of the Company comprised 751,898,893 ordinary shares. The Company does not have treasury shares.

On 5 April 12, the Company issued 157,500 shares to those employees who were awarded the restricted shares on 21 June 2007 and 6 April 2009 under the STL RSP.

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 are not audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the period ended 31.12.2011 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2012.

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 new/revised FRS did not result in any material impact on the Group's results.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	1st Qtr 2012	1st Qtr 2011
Earnings per ordinary share (EPS) for the period based on net profit attributable to shareholders		
(a) on weighted average number of ordinary shares (cents)	0.44	0.27
(b) on a fully diluted basis (cents)	0.43	0.26

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary share of 751,898,893 (1Q11: 746,247,393) for the 1st quarter ended 31.03.2012.

Earnings per ordinary share is computed based on the same basis as earnings per share by applying the weighted average number of ordinary shares in issuance during the period under review and adjusted to include all potential dilutive ordinary shares up to 31.03.2012. The adjusted weighted average number of ordinary shares applicable to diluted earnings per shares is 773,250,060 (1Q11: 765,986,726) for 1st quarter ended 31.03.2012.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	At 31.03.12	At 31.12.11	At 31.03.12	At 31.12.11
Net asset value per ordinary share				
Net asset value per ordinary share based on existing issued share capital as at the end of period (cents)	31.77	31.65	33.16	32.81

	Group		Company	
	At 31.03.12	At 31.12.11	At 31.03.12	At 31.12.11
Net tangible asset value per ordinary share				
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (cents)	29.74	29.62	33.16	32.81

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

CONSOLIDATED INCOME STATEMENT

January - March 2012 ("1Q12 ")

The Group's revenue increased 16.6% from \$94.9 million in 1Q11 to \$110.6 million in 1Q12. The major contributors to this increase come from Consumer/IT and Healthcare business segments.

	<u>1Q12</u>	<u>1Q11</u>	+ / (-)
	\$'000	\$'000	%
Automotive	25,456	25,294	0.6
Consumer/IT [#]	50,705	36,289	39.7
Healthcare	6,982	5,531	26.2
Mould Fabrication	<u>27,486</u>	<u>27,752</u>	-1.0
	<u>110,629</u>	<u>94,866</u>	16.6

([#] This includes the revenue contributed from the companies acquired in Europe on 22 August 11).

During the period, gross profit increased 4.3% from \$12.8 million in 1Q11 to \$13.4 million in 1Q12. Gross margin for 1Q12 was 12.1% compared to 13.5% in 1Q11. The reduction in gross margin was due to change in product mix and increased labor costs.

Other expenses decreased from \$1.7 million to \$0.7 million, primarily due to lower foreign exchange loss which in 1Q12 was \$0.4 million as compared to \$1.3 million in 1Q11.

The Group achieved a net profit of \$3.3 million in 1Q12 as compared to \$2.0 million in 1Q11 due to higher revenue and lower foreign exchange loss. Excluding the foreign exchange loss, the Group's net profit would have been \$3.7 million in 1Q12 as compared to \$3.4 million in 1Q11.

CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment were at \$161.2 million as at 31 March 2012 as compared to \$164.4 million as at 31 December 2011. The decrease was due to the depreciation charge of \$6.6 million (1Q11: \$5.9 million) partially offset by the acquisition of certain machines and equipment.

The decrease in inventory was due to the completion of tools in our Mould Fabrication business.

The decrease in bank overdrafts was due the restructuring of the financing to a short term loan.

The Group maintained a cash balance of \$50.5 million as at 31 March 2012 (31 December 2011: \$49.2 million) resulting in net debt of \$7.6 million (31 December 11: \$9.6 million).

CONSOLIDATED CASHFLOW STATEMENT

January-March 2012 ("1Q12")

Net cash generated from operating activities was \$5.9 million for 1Q12, compared to \$7.4 million for 1Q11. Net cash used in investing activities was \$3.1 million for 1Q12 as compared to \$8.1 million in 1Q11. In 1Q11, there was a payment made for the acquisition of UFE Pte Ltd. Net cash generated from financing activities for 1Q12 was \$1.2 million compared to net cash used in financing activities of \$4.6 million in 1Q11. This was due to restructuring the bank overdraft to short term loan and loan draw down for payment of capital expenditure.

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

Not Applicable.

10 A commentary at the date of the announcement of the 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 group expects the business environment continue to remain challenging for the rest of the year. Our customers in Europe are affected by the on-going debt crisis, slower global economic growth and volatility in foreign exchange rates present additional complexity. Pricing pressure from customers, coupled with rising raw material prices and significant labour costs increase in China continue to squeeze margins.

Automotive business remains stable. We continue to gain new bezel projects from existing customers to replace current projects that will come to end of life. The initiative to expand into other automotive plastic parts is in progress. Overall growth in Consumer/IT segment 1Q12 year on year was due to the acquisition of our Europe companies in 2H11 and strong orders from our key customers. Healthcare business continues to grow steadily. Mould Fabrication business remains stable with healthy backlogs carried forward from 2011 and also new orders received in 1Q12.

The group's initiative in acquiring the companies in Europe last year to serve our customers globally and extend beyond Consumer/IT segment has made progress. We have extended our service to one of our key customers that we currently serve in Asia to our Europe Operations.

The management continues to focus on operational excellence, working capital management, building capabilities for competitive advantage, building diverse business segments and a customer base of reputable companies.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend:	Ordinary
Dividend Type:	Interim
Dividend Amount per Share (in cents):	0.6 cents 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? No

(c) Date payable

To be announced later

(d) Books closure date

To be announced later

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, a statement to that effect.

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	1Q12 \$'000	1Q12 \$'000
Zing Precision Manufacturing Ltd	194	-
Total	<u>194</u>	<u>-</u>

BY ORDER OF THE BOARD

KHOO BOO HOR
Executive Director &
Chief Executive Officer

4 May 2012

14 CONFIRMATION BY THE BOARD

We, KOH BOON HWEE and KHOO BOO HOR, being two directors of Sunningdale Tech Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results of the first quarter 2012 to be false or misleading.

On behalf of the board of directors

KOH BOON HWEE
Non Executive Chairman

KHOO BOO HOR
Executive Director &
Chief Executive Officer