

**Financial Statement Announcement for the First Quarter Ended 31 March 2014**

**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 2014. These figures have not been audited or reviewed.

| (In Singapore dollars)         | Jan - Mar<br>2014<br>\$'000 | Jan - Mar<br>2013<br>\$'000 | + / ( - )<br>% |
|--------------------------------|-----------------------------|-----------------------------|----------------|
| <b>Revenue</b>                 | <b>105,695</b>              | <b>110,066</b>              | <b>(4.0)</b>   |
| Cost of sales                  | (92,461)                    | (98,277)                    | (5.9)          |
| <b>Gross Profit</b>            | <b>13,234</b>               | <b>11,789</b>               | <b>12.3</b>    |
| <b>Other items of income</b>   |                             |                             |                |
| Interest income                | 77                          | 93                          | (17.2)         |
| Other income                   | 6,026                       | 719                         | n.m.           |
| <b>Other items of expense</b>  |                             |                             |                |
| Marketing and distribution     | (2,618)                     | (2,255)                     | 16.1           |
| Administrative expenses        | (6,561)                     | (6,418)                     | 2.2            |
| Other expenses                 | (743)                       | (375)                       | 98.1           |
| Finance costs                  | (356)                       | (390)                       | (8.7)          |
| <b>Profit before tax</b>       | <b>9,059</b>                | <b>3,163</b>                | <b>n.m.</b>    |
| Income tax expense             | (607)                       | (850)                       | (28.6)         |
| <b>Profit for the period</b>   | <b>8,452</b>                | <b>2,313</b>                | <b>n.m.</b>    |
| <b>Profit attributable to:</b> |                             |                             |                |
| Owners of the Company          | <b>8,452</b>                | <b>2,313</b>                | <b>n.m.</b>    |

Consolidated Statement of comprehensive income for the first quarter ended 31 March 2014. These figures have not been audited or reviewed.

|  |              |              |             |
|--|--------------|--------------|-------------|
| <b>Profit net of tax</b>                                     | 8,452        | 2,313        | n.m.        |
| Other comprehensive income                                   |              |              |             |
| Foreign currency translation                                 | (589)        | 5,266        | n.m.        |
| <b>Other comprehensive income for the period, net of tax</b> | <b>(589)</b> | <b>5,266</b> | <b>n.m.</b> |
| <b>Total comprehensive income for the period</b>             | <b>7,863</b> | <b>7,579</b> | <b>3.8</b>  |
| <b>Total comprehensive income attributable to:</b>           |              |              |             |
| Owners of the Company  | <b>7,863</b> | <b>7,579</b> | <b>3.8</b>  |

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement 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 is stated after (charging)/crediting:-*

|   | Jan - Mar<br>2014<br>\$'000 | Jan - Mar<br>2013<br>\$'000 | + / ( - )<br>% |
|---|-----------------------------|-----------------------------|----------------|
| Depreciation of property, plant and equipment                           | (6,276)                     | (6,495)                     | (3.4)          |
| Impairment allowance for inventories<br>obsolescence/foreseeable losses | (58)                        | (131)                       | (55.7)         |
| Foreign exchange gain   | 202                         | 221                         | (8.6)          |
| Amortisation of intangible assets                                       | (112)                       | (218)                       | (48.6)         |
| Property, plant and equipment written off                               | (56)                        | (17)                        | n.m.           |
| Gain on disposal of non-current assets held for sale                    | 5,227                       | -                           | n.m.           |
| Gain on disposal of property, plant and equipment                       | 38                          | 14                          | 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

**Non-current assets**

|                               | 31.03.14<br>\$'000 | 31.12.13<br>\$'000 | + / (-)<br>% | 31.03.14<br>\$'000 | 31.12.13<br>\$'000 | + / (-)<br>% |
|-------------------------------|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| Property, plant and equipment | 132,930            | 136,288            | (2.5)        | 5,127              | 5,247              | (2.3)        |
| Intangible assets             | 13,014             | 13,125             | (0.8)        | -                  | -                  | n.m.         |
| Other investments             | 1                  | 1                  | -            | -                  | -                  | n.m.         |
| Investment in subsidiaries    | -                  | -                  | n.m.         | 243,923            | 243,923            | -            |
| Deferred tax assets           | 625                | 625                | -            | -                  | -                  | n.m.         |
|                               | 146,570            | 150,039            | (2.3)        | 249,050            | 249,170            | (0.1)        |

**Current assets**

|                              |         |         |       |        |        |       |
|------------------------------|---------|---------|-------|--------|--------|-------|
| Inventories                  | 81,062  | 76,570  | 5.9   | 6,840  | 6,922  | (1.2) |
| Trade and other receivables  | 99,863  | 104,319 | (4.3) | 64,949 | 65,153 | (0.3) |
| Prepayments                  | 2,799   | 2,807   | (0.3) | 172    | 134    | 28.4  |
| Cash and short term deposits | 87,033  | 79,216  | 9.9   | 6,709  | 7,040  | (4.7) |
|                              | 270,757 | 262,912 | 3.0   | 78,670 | 79,249 | (0.7) |

**Non-current assets held for sale (Note 1)**

|  |         |         |      |        |        |       |
|--|---------|---------|------|--------|--------|-------|
|  | -       | 3,769   | n.m. | -      | -      | n.m.  |
|  | 270,757 | 266,681 | 1.5  | 78,670 | 79,249 | (0.7) |

**Less: Current liabilities**

|                          |         |         |        |        |        |       |
|--------------------------|---------|---------|--------|--------|--------|-------|
| Trade and other payables | 94,611  | 96,229  | (1.7)  | 53,690 | 53,922 | (0.4) |
| Loans and borrowings     | 49,223  | 53,983  | (8.8)  | 17,205 | 18,228 | (5.6) |
| Tax payable              | 4,731   | 5,263   | (10.1) | 306    | 256    | 19.5  |
|                          | 148,565 | 155,475 | (4.4)  | 71,201 | 72,406 | (1.7) |

|                    |         |         |     |       |       |     |
|--------------------|---------|---------|-----|-------|-------|-----|
| Net current assets | 122,192 | 111,206 | 9.9 | 7,469 | 6,843 | 9.1 |
|--------------------|---------|---------|-----|-------|-------|-----|

**Less: Non-current liabilities**

|                          |       |       |       |     |     |      |
|--------------------------|-------|-------|-------|-----|-----|------|
| Loans and borrowings     | 5,302 | 5,770 | (8.1) | -   | -   | n.m. |
| Deferred tax liabilities | 2,745 | 2,789 | (1.6) | 135 | 135 | -    |
|                          | 8,047 | 8,559 | (6.0) | 135 | 135 | -    |

**Net assets**

|  |         |         |     |         |         |     |
|--|---------|---------|-----|---------|---------|-----|
|  | 260,715 | 252,686 | 3.2 | 256,384 | 255,878 | 0.2 |
|--|---------|---------|-----|---------|---------|-----|

**Equity attributable to owners of the Company**

|                     |                |                |            |                |                |            |
|---------------------|----------------|----------------|------------|----------------|----------------|------------|
| Share capital       | 272,792        | 272,765        | 0.0        | 272,792        | 272,765        | 0.0        |
| Reserves            | (12,077)       | (20,079)       | (39.9)     | (16,408)       | (16,887)       | (2.8)      |
| <b>Total equity</b> | <b>260,715</b> | <b>252,686</b> | <b>3.2</b> | <b>256,384</b> | <b>255,878</b> | <b>0.2</b> |

Note 1: This relates to the property at No. 5 Joo Koon Way, Singapore 628944 which we had announced the completion of the sale on 14 February 2014.

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

**Amount repayable in one year or less, or on demand**

| As at 31.03.2014   |                      | As at 31.12.2013   |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| 1,684              | 47,539               | 2,965              | 51,018               |

**Amount repayable after one year**

| As at 31.03.2014   |                      | As at 31.12.2013   |                      |
|--------------------|----------------------|--------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| 1,039              | 4,263                | 1,044              | 4,726                |

**Details of any collateral**

Collateral for secured borrowings is as follows:

(a) Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$2.7 mil (31.12.2013: S\$2.7 mil) is secured by cash and bank balances of the same amount of other subsidiary companies.

(b) The term loan and finance lease of S\$0.03 mil (31.12.2013: S\$0.05mil) booked by AS Sunningdale Tech Latvia is secured by certain fixed assets of said subsidiary.

(c) The finance lease of S\$Nil (31.12.2013: S\$1.3mil) booked by ATEC of Sweden AB is secured by certain fixed assets of said subsidiary.

- 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 2014**

(In Singapore dollars)

|  | <b>Jan - Mar<br/>2014<br/>\$'000</b> | <b>Jan - Mar<br/>2013<br/>\$'000</b> |
|--|--------------------------------------|--------------------------------------|
| <b><i>Cash flows from operating activities:</i></b>                  |                                      |                                      |
| Profit before tax  | 9,059                                | 3,163                                |
| Adjustments for:   |                                      |                                      |
| Depreciation of property, plant and equipment                        | 6,276                                | 6,495                                |
| Gain on disposal of property, plant and equipment                    | (38)                                 | (14)                                 |
| Property, plant and equipment written off                            | 56                                   | 17                                   |
| Gain on disposal of non-current assets held for sale                 | (5,227)                              | -                                    |
| Amortisation of intangible assets                                    | 112                                  | 218                                  |
| Impairment allowance for inventories                                 |                                      |                                      |
| obsolescence/foreseeable losses                                      | 58                                   | 131                                  |
| Employee share award expenses  | 166                                  | 209                                  |
| Interest expense   | 356                                  | 390                                  |
| Interest income  | (77)                                 | (93)                                 |
| Currency realignment   | (775)                                | 929                                  |
| <b>Operating cashflows before changes in working capital</b>         | <b>9,966</b>                         | <b>11,445</b>                        |
| Increase in inventories  | (4,550)                              | (4,384)                              |
| Decrease / (Increase) in trade and other receivables                 | 4,456                                | (4,589)                              |
| Decrease / (Increase) in prepayments                                 | 8                                    | (511)                                |
| Decrease in trade and other payables                                 | (728)                                | (6,891)                              |
| <b>Cash flows generated from / (used in) operations</b>              | <b>9,152</b>                         | <b>(4,930)</b>                       |
| Interest paid  | (356)                                | (390)                                |
| Interest received  | 77                                   | 93                                   |
| Income tax paid  | (1,172)                              | (1,796)                              |
| <b>Net cash generated from / (used in) operating activities</b>      | <b>7,701</b>                         | <b>(7,023)</b>                       |
| <b><i>Cash flows from investing activities:</i></b>                  |                                      |                                      |
| Purchase of property, plant and equipment                            | (3,946)                              | (2,764)                              |
| Net proceeds from disposal of non-current asset held for sales       | 8,996                                | -                                    |
| Net proceeds from disposal of property, plant and equipment          | 41                                   | 44                                   |
| <b>Net cash generated from / (used in) investing activities</b>      | <b>5,091</b>                         | <b>(2,720)</b>                       |
| <b><i>Cash flows from financing activities:</i></b>                  |                                      |                                      |
| Proceeds from loans and borrowings                                   | 790                                  | 4,411                                |
| Repayment of loans and borrowings                                    | (5,742)                              | (1,417)                              |
| <b>Net cash (used in) / generated from financing activities</b>      | <b>(4,952)</b>                       | <b>2,994</b>                         |
| <b>Net increase / (decrease) in cash and cash equivalents</b>        | <b>7,840</b>                         | <b>(6,749)</b>                       |
| Cash and cash equivalents at beginning of period                     | 76,518                               | 51,166                               |
| Effects of exchange rate changes on opening cash and cash equivalent | (16)                                 | 1,079                                |
| <b>Cash and cash equivalents at end of period</b>                    | <b>84,342</b>                        | <b>45,496</b>                        |

**Note:**

|                                    | <b>31.03.2014</b> | <b>31.12.2013</b> | <b>31.03.2013</b> | <b>31.12.2012</b> |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Cash & cash at bank                | 87,033            | 79,216            | 47,090            | 52,716            |
| Less: Bank balances pledged        | (2,691)           | (2,698)           | (1,594)           | (1,550)           |
| <b>Cash &amp; cash equivalents</b> | <b>84,342</b>     | <b>76,518</b>     | <b>45,496</b>     | <b>51,166</b>     |

- 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 2014**

(In Singapore dollars)

**Group**

|  | Attributable to owners of the Company |                   |                                      |               | Total          |
|--|---------------------------------------|-------------------|--------------------------------------|---------------|----------------|
|  | Share Capital                         | Retained Earnings | Foreign Currency Translation Reserve | Other Reserve |                |
|  | \$'000                                | \$'000            | \$'000                               | \$'000        | \$'000         |
| <b>Balance at 01.01.2013</b>                               | <b>271,529</b>                        | <b>(29,350)</b>   | <b>(16,835)</b>                      | <b>8,196</b>  | <b>233,540</b> |
| Profit for the period                                      | -                                     | 2,313             | -                                    | -             | 2,313          |
| <u>Other comprehensive income</u>                          |                                       |                   |                                      |               |                |
| Foreign currency translation                               | -                                     | -                 | 5,128                                | 138           | 5,266          |
| <u>Contributions by and distributions to owners</u>        |                                       |                   |                                      |               |                |
| Grant of equity-settled share awards to employees          | -                                     | -                 | -                                    | 209           | 209            |
| Total transactions with owners in their capacity as owners | 271,529                               | (27,037)          | (11,707)                             | 8,543         | 241,328        |
| <b>Balance at 31.03.2013</b>                               | <b>271,529</b>                        | <b>(27,037)</b>   | <b>(11,707)</b>                      | <b>8,543</b>  | <b>241,328</b> |
| <b>Balance at 01.01.2014</b>                               | <b>272,765</b>                        | <b>(20,958)</b>   | <b>(7,854)</b>                       | <b>8,733</b>  | <b>252,686</b> |
| Profit for the period                                      | -                                     | 8,452             | -                                    | -             | 8,452          |
| <u>Other comprehensive income</u>                          |                                       |                   |                                      |               |                |
| Foreign currency translation                               | -                                     | -                 | (575)                                | (14)          | (589)          |
| <u>Contributions by and distributions to owners</u>        |                                       |                   |                                      |               |                |
| Grant of equity-settled share awards to employees          | -                                     | -                 | -                                    | 166           | 166            |
| Issue of share under share awards                          | 27                                    | -                 | -                                    | (27)          | -              |
| Total transactions with owners in their capacity as owners | 272,792                               | (12,506)          | (8,429)                              | 8,858         | 260,715        |
| <b>Balance at 31.03.2014</b>                               | <b>272,792</b>                        | <b>(12,506)</b>   | <b>(8,429)</b>                       | <b>8,858</b>  | <b>260,715</b> |

(In Singapore dollars)

**Company**

|  | Attributable to owners of the Company |                   |               | Total          |
|--|---------------------------------------|-------------------|---------------|----------------|
|  | Share Capital                         | Retained Earnings | Other Reserve |                |
|  | \$'000                                | \$'000            | \$'000        | \$'000         |
| <b>Balance at 01.01.2013</b>                               | <b>271,529</b>                        | <b>(20,007)</b>   | <b>1,204</b>  | <b>252,726</b> |
| Profit for the period                                      | -                                     | 860               | -             | 860            |
| <u>Contributions by and distributions to owners</u>        |                                       |                   |               |                |
| Grant of equity-settled share awards to employees          | -                                     | -                 | 209           | 209            |
| <b>Balance at 31.03.2013</b>                               | <b>271,529</b>                        | <b>(19,147)</b>   | <b>1,413</b>  | <b>253,795</b> |
| <b>Balance at 01.01.2014</b>                               | <b>272,765</b>                        | <b>(17,575)</b>   | <b>688</b>    | <b>255,878</b> |
| Profit for the period                                      | -                                     | 340               | -             | 340            |
| <u>Contributions by and distributions to owners</u>        |                                       |                   |               |                |
| Grant of equity-settled share awards to employees          | -                                     | -                 | 166           | 166            |
| Issue of share under share awards                          | 27                                    | -                 | (27)          | -              |
| Total transactions with owners in their capacity as owners | 272,792                               | (17,235)          | 827           | 256,384        |
| <b>Balance at 31.03.2014</b>                               | <b>272,792</b>                        | <b>(17,235)</b>   | <b>827</b>    | <b>256,384</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 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     |
|--|--------------------|
| <b>Balance as at 31.12.2013</b>                          | 764,931,393        |
| Issue of shares to employees under STL RSP in 30.01.2014 | 150,000            |
| <b>Balance as at 31.03.2014</b>                          | <b>765,081,393</b> |

As at 31.03.2014, the share capital of the Company comprised 765,081,393 shares.

The number of shares that may be issued on conversion of share awards as at 31 March 2014 was 20,173,000 (31 March 2013: 20,314,000) shares.

- 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.**

The Company does not have treasury shares as at 31.03.2014 (as at 31.12.13 : nil)

- 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 was no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31.03.14.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

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 31.12.2013 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2014.

- 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 14 | 1st Qtr 13 |
| Earnings per ordinary share (EPS) for the period based on net profit attributable to shareholders |            |            |
| (a) on weighted average number of ordinary shares (cents)   | 1.10       | 0.31       |
| (b) on a fully diluted basis (cents)  | 1.08       | 0.30       |

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 765,033,060 (1Q13: 758,156,393) for the 1st quarter ended 31.03.2014.

Earnings per ordinary share (diluted basis) 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 31.12.2014. The adjusted weighted average number of ordinary shares is 785,254,393 (1Q13: 780,280,060) for 1st quarter ended 31.03.2014.

- 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 31.03.14 | At 31.12.13 | At 31.03.14 | At 31.12.13 |
| 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) | 34.08       | 33.03       | 33.51       | 33.45       |

  

|  | Group       |             | Company     |             |
|--|-------------|-------------|-------------|-------------|
|  | At 31.03.14 | At 31.12.13 | At 31.03.14 | At 31.12.13 |
| 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) | 32.38       | 31.32       | 33.51       | 33.45       |

- 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 and 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 2014 ("1Q14")

The Group's revenue decreased by 4.0% from \$110.1 million in 1Q13 to \$105.7 million in 1Q14. The decrease in revenue was mainly from the Mould Fabrication segment, partially offset by growth in the Automotive business segment.

The decrease in Mould Fabrication was due to lower orders billed and recognized to profit and loss during the period.

The increase in Automotive came from increased orders from existing customers.

|                   | <u>1Q14</u>    | <u>1Q13</u>    | <u>Inc/(Dec)</u> |
|-------------------|----------------|----------------|------------------|
|                   | \$             | \$             | %                |
| Automotive        | 26,558         | 24,216         | 9.7              |
| Consumer/IT       | 50,901         | 50,418         | 1.0              |
| Healthcare        | 8,853          | 8,892          | (0.4)            |
| Mould Fabrication | 19,383         | 26,540         | (27.0)           |
|                   | <u>105,695</u> | <u>110,066</u> | (4.0)            |

During the period, gross profit increased by 12.3% from \$11.8 million in 1Q13 to \$13.2 million in 1Q14. Gross margin for 1Q14 was 12.5% compared to 10.7% in 1Q13. The increase in gross margin was due to better capacity utilization.

The increase in selling expenses was mainly due to increases in staff costs and commission.

The increase in other income was mainly due to the net profit on disposal of non-current assets held for sale amounting to \$5.2 million.

The increase in other expenses was due to the relocation costs of UFE operations after disposal of the building, amounting to \$0.4 million.

The lower finance costs were mainly due to repayment of certain loans.

The Group achieved a net profit of \$8.5 million in 1Q14 compared to \$2.3 million in 1Q13. Excluding the net profit on the disposal of non-current asset held for sales and the relocation costs of UFE operations, the net profit would have been \$3.7 million in 1Q14.

## CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment amounted to \$132.9 million as at 31 March 2014 compared to \$136.3 million as at 31 December 2013. Property, plant and equipment were stated net of depreciation charges of \$6.3 million (1Q13: \$6.5 million) and partially offset by the addition of \$3.1 million in capital expenditure for machineries.

The decrease in loans and borrowings was due to repayment of loans.

The decrease in tax payable was due to payments made.

The Group maintained a cash balance of \$87.0 million as at 31 March 2014 (31 December 2013: \$79.2 million) resulting in net cash of \$32.5 million (31 December 13: \$19.5 million).

## CONSOLIDATED CASHFLOW STATEMENT

January - March 2014 ("1Q14")

Net cash generated from operating activities was \$7.7 million for 1Q14, compared to net cash used in operating activities of \$7.0 million for 1Q13 due to decreases in trade and other receivables. Net cash generated from investing activities was \$5.1 million in 1Q14, compared to net cash used in investing activities of \$2.7 million in 1Q13 mainly due to proceeds from the disposal of UFE building. Net cash used in financing activities was \$5.0 million in 1Q14, compared to net cash generated from financing activities of \$3.0 million due to repayment of 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**

Not Applicable.

**10 A commentary at the date of the announcement of the significant trends and 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**

Little has changed over the quarter. The operating environment remains competitive and challenging. The minimum wage increase and slow growth in China, pricing pressures from customers and high increase in Malaysia utility rates (which are significant to our operating costs) continue to squeeze margins.

Our business segments: Automotive, Consumer/IT and Healthcare remain stable. The group continues to receive enquiries for new businesses. Filling up our southern China facility capacity remains our top priority. All other facilities remain busy with healthy orders. Barring any unforeseen circumstances, we expect our Brazil operations to start production in 3Q.

The management remains very focused on operational excellence in driving productivity and efficiency to combat the operating challenges, while continuing to drive and shape our long term business model to achieve greater profitability on a sustained basis.

**11 Dividend**

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

Any dividend 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

**(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, a statement to that effect.**

There is no IPTs for the period under review.

**BY ORDER OF THE BOARD**

**KHOO BOO HOR**

Executive Director &

Chief Executive Officer

2 May 2014

**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 2014 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