



Financial Statement Announcement for the First Quarter Ended 31 March 2015

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 2015. These figures have not been audited or reviewed.

(In Singapore dollars)	Jan - Mar 2015 \$'000	Jan - Mar 2014 \$'000	+ / (-) %
Revenue	154,504	105,695	46.2
Cost of sales	(133,874)	(92,461)	44.8
Gross Profit	20,630	13,234	55.9
Other items of income			
Interest income	114	77	48.1
Other income	2,095	6,026	(65.2)
Other items of expense			
Marketing and distribution	(3,520)	(2,618)	34.5
Administrative expenses	(9,744)	(6,561)	48.5
Other expenses	(946)	(743)	27.4
Finance costs	(910)	(356)	n.m.
Share of results of joint venture	260	-	n.m.
Profit before tax	7,979	9,059	(11.9)
Income tax expense	(927)	(607)	52.7
Profit for the period	7,052	8,452	(16.6)
Profit attributable to:			
Owners of the Company	7,052	8,452	(16.6)

Consolidated Statement of comprehensive income for the first quarter ended 31 March 2015. These figures have not been audited or reviewed.

Profit net of tax	7,052	8,452	(16.6)
Other comprehensive income			
Foreign currency translation	8,576	(589)	n.m.
Share of foreign currency translation of joint venture	303	-	n.m.
Other comprehensive income for the period, net of tax	8,879	(589)	n.m.
Total comprehensive income for the period	15,931	7,863	n.m.
Attributable to:			
Owners of the Company	15,931	7,863	n.m.

- 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 2015 \$'000	Jan - Mar 2014 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(8,252)	(6,276)	31.5
Reversal of impairment on property, plant and equipment	9	-	n.m.
Property, plant and equipment written off	(9)	(56)	(83.9)
Loss on disposal of a subsidiary	(25)	-	n.m.
Gain on disposal of investment	121	-	n.m.
Gain on disposal of non current assets held for sales	-	5,227	n.m.
(Loss) / gain on disposal of property, plant and equipment	(85)	38	n.m.
Write-back / (Impairment allowance) for inventories obsolescence/foreseeable losses	172	(58)	n.m.
Amortisation of intangible assets	(376)	(112)	n.m.
Foreign exchange gain	<u>1,115</u>	<u>202</u>	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		
	31.03.15 \$'000	31.12.14 \$'000	+ / (-) %	31.03.15 \$'000	31.12.14 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	193,433	193,618	(0.1)	5,244	4,775	9.8
Intangible assets	19,935	20,095	(0.8)	-	-	n.m.
Other investments	4	4	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	335,570	335,340	0.1
Investment in joint venture	5,749	5,186	10.9	-	-	n.m.
Prepayments	445	465	(4.3)	445	465	(4.3)
Deferred tax assets	2,966	2,976	(0.3)	-	-	n.m.
	222,532	222,344	0.1	341,259	340,580	0.2
Current assets						
Inventories	114,700	109,186	5.1	6,235	6,531	(4.5)
Trade and other receivables	157,387	158,458	(0.7)	84,803	88,844	(4.5)
Prepayments	5,799	5,019	15.5	427	241	77.2
Cash and short term deposits	115,412	103,105	11.9	11,865	7,857	51.0
	393,298	375,768	4.7	103,330	103,473	(0.1)
Less: Current liabilities						
Trade and other payables	148,055	141,747	4.5	71,134	71,255	(0.2)
Loans and borrowings	91,154	91,594	(0.5)	45,696	45,552	0.3
Tax payable	3,286	4,869	(32.5)	-	-	n.m.
	242,495	238,210	1.80	116,830	116,807	0.02
Net current assets / (liabilities)	150,803	137,558	9.6	(13,500)	(13,334)	1.2
Less: Non-current liabilities						
Other liabilities	1,203	1,272	(5.4)	-	-	n.m.
Loans and borrowings	43,077	45,426	(5.2)	40,000	42,000	(4.8)
Deferred tax liabilities	7,647	7,930	(3.6)	-	-	n.m.
	51,927	54,628	(4.9)	40,000	42,000	n.m.
Net assets	321,408	305,274	5.3	287,759	285,246	0.9
Equity attributable to owners of the Company						
Share capital	298,716	298,716	(0.0)	298,716	298,716	(0.0)
Reserves	22,692	6,558	n.m.	(10,957)	(13,470)	(18.7)
Total equity	321,408	305,274	5.3	287,759	285,246	0.9

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

Amount repayable in one year or less, or on demand

As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
7,093	84,061	8,036	83,558

Amount repayable after one year

As at 31.03.2015		As at 31.12.2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	43,077	-	45,426

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$1.8 mil (31.12.2014: S\$2.8mil) is secured by cash and bank balances of the same amount of other subsidiary companies.
- First Engineering (Shanghai) Co Ltd's loan of S\$4.2 mil (31.12.2014: S\$4.1mil) is secured by cash and bank balances of the same amount of other subsidiary companies.
- First Engineering (Guangzhou) Co Ltd's loan S\$0.9mil (31.12.2014: S\$0.9mil) is secured by certain fixed assets of said subsidiary.
- The finance lease of S\$0.002 mil (31.12.2014: S\$0.006mil) booked by AS Sunningdale Tech Latvia is secured by certain fixed assets of said subsidiary.
- The finance lease of S\$0.2 mil (31.12.2014: S\$0.2mil) booked by First Engineering (Shanghai) Co Ltd 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 2015

(In Singapore dollars)	Jan - Mar 2015 \$'000	Jan - Mar 2014 \$'000
Cash flows from operating activities:		
Profit before tax	7,979	9,059
Adjustments for:		
Depreciation of property, plant and equipment	8,252	6,276
Reversal of impairment on property, plant and equipment	(9)	-
Property, plant and equipment written off	9	56
Loss on disposal of a subsidiary	25	-
Gain on disposal of investment	(121)	-
Gain on disposal of non current assets held for sales	-	(5,227)
Loss / (gain) on disposal of property, plant and equipment	85	(38)
(Write-back) / Impairment allowance for inventories obsolescence/ foreseeable losses	(172)	58
Amortisation of intangible assets	376	112
Share of results of joint venture	(260)	-
Employee share award expenses	203	166
Interest expense	910	356
Interest income	(114)	(77)
Currency realignment	7,806	(775)
Operating cashflows before changes in working capital	24,969	9,966
Increase in inventories	(5,342)	(4,550)
Decrease in trade and other receivables	1,105	4,456
(Increase) / decrease in prepayments	(759)	8
Increase / (decrease) in trade and other payables	6,106	(728)
Cash flows generated from operations	26,079	9,152
Interest paid	(910)	(356)
Interest received	114	77
Income tax paid	(3,045)	(1,172)
Net cash generated from operating activities	22,238	7,701
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,162)	(3,946)
Net proceeds from disposal of non-current asset held for sales	-	8,996
Net proceeds from disposal of property, plant and equipment	124	41
Net proceeds from disposal of subsidiary	2	-
Net proceeds from disposal of investment	121	-
Net cash (used in) / generated from investing activities	(4,915)	5,091
Cash flows from financing activities:		
Proceeds from loans and borrowings	-	790
Repayment of loans and borrowings	(3,759)	(5,742)
Decrease in bank balances pledged	875	-
Net cash used in financing activities	(2,884)	(4,952)
Net increase in cash and cash equivalents	14,439	7,840
Cash and cash equivalents at beginning of period	96,193	76,518
Effects of exchange rate changes on opening cash and cash equivalent	(1,257)	(16)
Cash and cash equivalents at end of period	109,375	84,342

Note:

	31.03.2015	31.12.2014	31.03.2014	31.12.2013
Cash & cash at bank	115,412	103,105	87,033	79,216
Less: Bank balances pledged	(6,037)	(6,912)	(2,691)	(2,698)
Cash & cash equivalents	109,375	96,193	84,342	76,518

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 2015

(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 01.01.2014	272,765	(20,958)	(7,854)	8,733	252,686
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
Balance at 31.03.2014	272,792	(12,506)	(8,429)	8,858	260,715
Balance at 01.01.2015	298,716	163	(3,887)	10,282	305,274
Profit for the period	-	7,052	-	-	7,052
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	8,322	557	8,879
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	203	203
Total transactions with owners in their capacity as owners	298,716	7,215	4,435	11,042	321,408
Balance at 31.03.2015	298,716	7,215	4,435	11,042	321,408

(In Singapore dollars)

Company

	Attributable to owners of the Company			Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	
Balance at 01.01.2014	272,765	(17,575)	688	255,878
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
Balance at 31.03.2014	272,792	(17,235)	827	256,384
Balance at 01.01.2015	298,716	(14,240)	770	285,246
Profit for the period	-	2,310	-	2,310
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	203	203
Total transactions with owners in their capacity as owners	298,716	(11,930)	973	287,759
Balance at 31.03.2015	298,716	(11,930)	973	287,759

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 31.12.2014	927,324,011
Balance as at 31.03.2015	927,324,011

As at 31.03.2015, the share capital of the Company comprised 927,324,011 shares.

The number of shares that may be issued on conversion of share awards as at 31 March 2015 was 19,789,000 (31 December 2014: 19,789,000) 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 31.03.2015 (as at 31.12.14 : 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 31.03.2015

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 31.12.2014 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2015.

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 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 15	1st Qtr 14
Earnings per ordinary share (EPS) for the period based on net profit attributable to shareholders		
(a) on weighted average number of ordinary shares (cents)	0.76	1.10
(b) on a fully diluted basis (cents)	0.74	1.08

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 927,324,011 (1Q14: 765,033,060) for the 1st quarter ended 31.03.2015.

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 31.03.2015. The adjusted weighted average number of ordinary shares is 947,113,011 (1Q14: 785,254,393) for 1st quarter ended 31.03.2015.

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 31.03.15	At 31.12.14	At 31.03.15	At 31.12.14
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)	34.66	32.92	31.03	30.76

	Group		Company	
	At 31.03.15	At 31.12.14	At 31.03.15	At 31.12.14
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)	32.51	30.75	31.03	30.76

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 2015 ("1Q15")

The Group's revenue increased by 46.2% from \$105.7 million in 1Q14 to \$154.5 million in 1Q15, of which \$44.2 million was contributed by First Engineering Limited Group ("FEL") which was acquired in November 2014.

Excluding the contribution from FEL, revenue increased by 4.3% to \$110.3 million. The increase in revenue was mainly contributed by the Mould Fabrication business segment due to more orders billed and recognised to profit and loss during the quarter.

	1Q15 \$'000	1Q14 \$'000	Inc/(Dec) %
Automotive	50,616	26,558	90.6
Consumer/IT	61,670	50,901	21.2
Healthcare	12,171	8,853	37.5
Mould Fabrication	30,047	19,383	55.0
	<u>154,504</u>	<u>105,695</u>	46.2

During the period, gross profit increased by 55.9% from \$13.2 million in 1Q14 to \$20.6 million in 1Q15. Gross margin for 1Q15 was 13.4% compared to 12.5% in 1Q14. The increase in gross profit and gross margin was in line with the increase in revenue and better capacity utilisation.

The increases in marketing and distribution and administrative expenses were mainly due to consolidating FEL.

The decrease in other income was due to the net profit on disposal of non-current assets held for sale amounting to \$5.2 million in 1Q14.

The increase in other expenses was due to the higher amortisation of intangible assets in 1Q15.

The increase in finance costs was mainly due to additional loans obtained for funding the acquisition of FEL.

The Group achieved a net profit of \$7.1 million in 1Q15 compared to \$8.5 million in 1Q14. Excluding the loss on disposal of a subsidiary, gain on disposal of investment and non-current assets held for sale, amortization of intangible assets and the foreign exchange gain, the net profit would have been \$6.2 million in 1Q15 as compared to \$3.1 million in 1Q14.

	1Q15 \$'000	1Q14 \$'000
Reported Net Profit	7,052	8,452
Adjustment:		
Loss on disposal of a subsidiary	25	-
Gain on disposal of investment	(121)	-
Gain on disposal of non current assets held for sale	-	(5,227)
Amortisation of intangible assets	376	112
Foreign exchange gain	(1,115)	(202)
Adjusted Net Profit	<u>6,217</u>	<u>3,135</u>

8
(Cont'd) **CONSOLIDATED BALANCE SHEET**

The Group's property, plant and equipment amounted to \$193.4 million as at 31 March 2015 compared to \$193.6 million as at 31 December 2014. Property, plant and equipment were stated net of depreciation charges of \$8.3 million (1Q14: \$6.3 million) and partially offset by the addition of \$5.3 million in capital expenditure for machineries and currency re-alignment.

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 \$115.4 million as at 31 March 2015 (31 December 2014: \$103.1 million) resulting in net debts of \$18.8 million (31 December 14: \$33.9 million).

CONSOLIDATED CASHFLOW STATEMENT

January - March 2015 ("1Q15")

Net cash generated from operating activities was \$22.2 million for 1Q15, compared to \$7.7 million for 1Q14. Net cash used in investing activities was \$4.9 million in 1Q15, compared to net cash generated from investing activities of \$5.1 million in 1Q14 mainly due to proceeds from the disposal of UFE building in 1Q14. Net cash used in financing activities was \$2.9 million in 1Q15, compared to \$5.0 million in 1Q14.

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

The business environment has not changed over the quarter. We expect it to remain challenging for the same reasons as before; subdued global economic environment, significant minimum wage increase in China and pricing pressure from customers.

The integration of First Engineering which will take up to one year is on track but we expect to see partial results from 2Q15 onwards. The enlarged group, with a wider product mix offering, increased engineering capabilities and global geographic footprint has created cross selling opportunities to our customers.

All business segments remain stable with healthy sales backlog and new business enquiries. The effort to accelerate our business development to increase capacity utilization for our southern China plants remains.

Despite the challenging business environment, the group remains optimistic. Our focus to drive and shape our long term business to achieve sustainable and higher profitability remains on course.

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

12 May 2015

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 2015 to be false or misleading.

On behalf of the board of directors

KOH BOON HWEE
Executive Chairman

KHOO BOO HOR
Executive Director &
Chief Executive Officer