



**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 second quarter ended 30 June 2015. These figures have not been audited or reviewed.

(In Singapore dollars)	Apr - Jun 2015 \$'000	Apr - Jun 2014 \$'000	+ / ( - ) %	Jan - Jun 2015 \$'000	Jan - Jun 2014 \$'000	+ / ( - ) %
<b>Revenue</b>	<b>165,366</b>	<b>114,467</b>	<b>44.5</b>	<b>319,870</b>	<b>220,162</b>	<b>45.3</b>
Cost of sales	(144,091)	(99,038)	45.5	(277,965)	(191,499)	45.2
<b>Gross Profit</b>	<b>21,275</b>	<b>15,429</b>	<b>37.9</b>	<b>41,905</b>	<b>28,663</b>	<b>46.2</b>
<b>Other items of income</b>						
Interest income	108	84	28.6	222	161	37.9
Other income	1,992	925	n.m.	4,087	6,951	(41.2)
<b>Other items of expense</b>						
Marketing and distribution	(3,770)	(2,465)	52.9	(7,290)	(5,083)	43.4
Administrative expenses	(10,804)	(6,878)	57.1	(20,548)	(13,439)	52.9
Other expenses	(846)	(1,610)	(47.5)	(1,792)	(2,353)	(23.8)
Finance costs	(1,026)	(304)	n.m.	(1,936)	(660)	n.m.
<b>Share of results of joint venture</b>	<b>223</b>	<b>-</b>	<b>n.m.</b>	<b>483</b>	<b>-</b>	<b>n.m.</b>
<b>Profit before tax</b>	<b>7,152</b>	<b>5,181</b>	<b>38.0</b>	<b>15,131</b>	<b>14,240</b>	<b>6.3</b>
Income tax expense	(1,151)	(742)	55.1	(2,078)	(1,349)	54.0
<b>Profit for the period</b>	<b>6,001</b>	<b>4,439</b>	<b>35.2</b>	<b>13,053</b>	<b>12,891</b>	<b>1.3</b>
<b>Profit attributable to:</b>						
Owners of the Company	<b>6,001</b>	<b>4,439</b>	<b>35.2</b>	<b>13,053</b>	<b>12,891</b>	<b>1.3</b>

Consolidated Statement of comprehensive income for the second quarter ended 30 June 2015. These figures have not been audited or reviewed.

<b>Profit net of tax</b>	<b>6,001</b>	<b>4,439</b>	<b>35.2</b>	<b>13,053</b>	<b>12,891</b>	<b>1.3</b>
Other comprehensive income						
Foreign currency translation	(7,530)	(2,546)	n.m.	1,046	(3,135)	n.m.
Share of foreign currency translation of joint venture	(98)	-	n.m.	205	-	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(7,628)</b>	<b>(2,546)</b>	<b>n.m.</b>	<b>1,251</b>	<b>(3,135)</b>	<b>n.m.</b>
<b>Total comprehensive income for the period</b>	<b>(1,627)</b>	<b>1,893</b>	<b>n.m.</b>	<b>14,304</b>	<b>9,756</b>	<b>46.6</b>
<b>Attributable to:</b>						
Owners of the Company	<b>(1,627)</b>	<b>1,893</b>	<b>n.m.</b>	<b>14,304</b>	<b>9,756</b>	<b>46.6</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:-*

	Apr - Jun 2015 \$'000	Apr - Jun 2014 \$'000	+ / (-) %	Jan - Jun 2015 \$'000	Jan - Jun 2014 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(8,080)	(5,670)	42.5	(16,332)	(11,946)	36.7
Reversal of impairment on property, plant and equipment	25	226	(88.9)	34	226	(85.0)
Property, plant and equipment written off	(90)	(100)	(10.0)	(99)	(156)	(36.5)
Loss on disposal of a subsidiary	-	-	n.m.	(25)	-	n.m.
Gain on disposal of investment	132	-	n.m.	253	-	n.m.
Gain on disposal of non current assets held for sales	-	-	n.m.	-	5,227	n.m.
(Loss) / gain on disposal of property, plant and equipment	(10)	(11)	(9.1)	(95)	27	n.m.
Write-back of inventories obsolescence/foreseeable losses	564	587	(3.9)	736	529	39.1
Impairment allowance for doubtful debts	(185)	(141)	31.2	(185)	(141)	31.2
Amortisation of intangible assets	(420)	(112)	n.m.	(796)	(224)	n.m.
Foreign exchange gain / (loss)	742	(1,215)	n.m.	1,857	(1,013)	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		
	30.06.15 \$'000	31.12.14 \$'000	+ / (-) %	30.06.15 \$'000	31.12.14 \$'000	+ / (-) %
<b>Non-current assets</b>						
Property, plant and equipment	190,092	193,618	(1.8)	5,856	4,775	22.6
Intangible assets	19,386	20,095	(3.5)	-	-	n.m.
Other investments	4	4	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	335,245	335,340	(0.0)
Investment in joint venture	5,874	5,186	13.3	-	-	n.m.
Prepayments	424	465	(8.8)	424	465	(8.8)
Deferred tax assets	2,862	2,976	(3.8)	-	-	n.m.
	<b>218,642</b>	<b>222,344</b>	<b>(1.7)</b>	<b>341,525</b>	<b>340,580</b>	<b>0.3</b>
<b>Current assets</b>						
Inventories	110,433	109,186	1.1	5,443	6,531	(16.7)
Trade and other receivables	167,189	158,458	5.5	81,520	88,844	(8.2)
Prepayments	6,027	5,019	20.1	339	241	40.7
Cash and short term deposits	102,682	103,105	(0.4)	3,911	7,857	(50.2)
	<b>386,331</b>	<b>375,768</b>	<b>2.8</b>	<b>91,213</b>	<b>103,473</b>	<b>(11.8)</b>
<b>Less: Current liabilities</b>						
Trade and other payables	148,510	141,747	4.8	72,181	71,255	1.3
Loans and borrowings	79,346	91,594	(13.4)	38,848	45,552	(14.7)
Tax payable	3,980	4,869	(18.3)	-	-	n.m.
	<b>231,836</b>	<b>238,210</b>	<b>(2.7)</b>	<b>111,029</b>	<b>116,807</b>	<b>(4.9)</b>
Net current assets / (liabilities)	154,495	137,558	12.3	(19,816)	(13,334)	48.6
<b>Less: Non-current liabilities</b>						
Other liabilities	1,115	1,272	(12.3)	-	-	n.m.
Loans and borrowings	52,157	45,426	14.8	44,286	42,000	5.4
Deferred tax liabilities	7,321	7,930	(7.7)	-	-	n.m.
	<b>60,593</b>	<b>54,628</b>	<b>10.9</b>	<b>44,286</b>	<b>42,000</b>	<b>5.4</b>
<b>Net assets</b>	<b>312,544</b>	<b>305,274</b>	<b>2.4</b>	<b>277,423</b>	<b>285,246</b>	<b>(2.7)</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	298,716	298,716	-	298,716	298,716	(0.0)
Reserves	13,828	6,558	n.m.	(21,293)	(13,470)	58.1
<b>Total equity</b>	<b>312,544</b>	<b>305,274</b>	<b>2.4</b>	<b>277,423</b>	<b>285,246</b>	<b>(2.7)</b>

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

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

As at 30.06.2015		As at 31.12.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,918	72,428	8,036	83,558

## Amount repayable after one year

As at 30.06.2015		As at 31.12.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	52,157	-	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\$nil (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\$0.08 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 second quarter ended 30 June 2015**

(In Singapore dollars)	Apr - Jun 2015 \$'000	Apr - Jun 2014 \$'000	Jan - Jun 2015 \$'000	Jan - Jun 2014 \$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	7,152	5,181	15,131	14,240
Adjustments for:				
Depreciation of property, plant and equipment	8,080	5,670	16,332	11,946
Reversal of impairment on property, plant and equipment	(25)	(226)	(34)	(226)
Property, plant and equipment written off	90	100	99	156
Loss on disposal of a subsidiary	-	-	25	-
Gain on disposal of investment	(132)	-	(253)	-
Gain on disposal of non current assets held for sales	-	-	-	(5,227)
Loss / (gain) on disposal of property, plant and equipment	10	11	95	(27)
Write-back of inventories obsolescence/foreseeable losses	(564)	(587)	(736)	(529)
Impairment allowance for doubtful debts	185	141	185	141
Amortisation of intangible assets	420	112	796	224
Share of results of joint venture	(223)	-	(483)	-
Employee share award expenses	181	152	384	318
Interest expense	1,026	304	1,936	660
Interest income	(108)	(84)	(222)	(161)
Currency realignment	(5,762)	(3,693)	2,044	(4,468)
<b>Operating cashflows before changes in working capital</b>	<b>10,330</b>	<b>7,081</b>	<b>35,299</b>	<b>17,047</b>
Decrease / (Increase) in inventories	4,832	(4,923)	(510)	(9,473)
Increase in trade and other receivables	(10,021)	(4,481)	(8,916)	(25)
Increase in prepayments	(208)	(92)	(967)	(84)
(Decrease) / Increase in trade and other payables	(982)	6,490	5,124	5,762
<b>Cash flows generated from operations</b>	<b>3,951</b>	<b>4,075</b>	<b>30,030</b>	<b>13,227</b>
Interest paid	(1,026)	(304)	(1,936)	(660)
Interest received	108	84	222	161
Income tax paid	(615)	(2,288)	(3,660)	(3,460)
<b>Net cash generated from operating activities</b>	<b>2,418</b>	<b>1,567</b>	<b>24,656</b>	<b>9,268</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(7,331)	(2,115)	(12,493)	(6,061)
Net proceeds from disposal of non-current asset held for sales	-	-	-	8,996
Net proceeds from disposal of property, plant and equipment	(57)	75	67	116
Net proceeds from disposal of subsidiary	-	-	2	-
Net proceeds from disposal of investment	132	-	253	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(7,256)</b>	<b>(2,040)</b>	<b>(12,171)</b>	<b>3,051</b>
<b>Cash flows from financing activities:</b>				
Proceeds from loans and borrowings	16,086	-	16,086	790
Repayment of loans and borrowings	(17,839)	(286)	(21,598)	(6,028)
Decrease in bank balances pledged	-	-	875	-
Dividends paid to shareholders	(7,418)	(5,356)	(7,418)	(5,356)
<b>Net cash used in financing activities</b>	<b>(9,171)</b>	<b>(5,642)</b>	<b>(12,055)</b>	<b>(10,594)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(14,009)</b>	<b>(6,115)</b>	<b>430</b>	<b>1,725</b>
Cash and cash equivalents at beginning of period	109,375	84,342	96,193	76,518
Effects of exchange rate changes on opening cash and cash equivalent	1,357	913	100	897
<b>Cash and cash equivalents at end of period</b>	<b>96,723</b>	<b>79,140</b>	<b>96,723</b>	<b>79,140</b>
<b>Note:</b>				
	<b>30.06.2015</b>	<b>31.12.2014</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Cash & cash at bank	102,682	103,105	81,776	79,216
Less: Bank balances pledged	(5,959)	(6,912)	(2,636)	(2,698)
<b>Cash &amp; cash equivalents</b>	<b>96,723</b>	<b>96,193</b>	<b>79,140</b>	<b>76,518</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>		
Cash & cash at bank	115,412	87,033		
Less: Bank balances pledged	(6,037)	(2,691)		
<b>Cash &amp; cash equivalents</b>	<b>109,375</b>	<b>84,342</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 second quarter ended 30 June 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	
<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	<u>272,792</u>	<u>(12,506)</u>	<u>(8,429)</u>	<u>8,858</u>	<u>260,715</u>
<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>
Profit for the period	-	4,439	-	-	4,439
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(2,426)	(120)	(2,546)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	152	152
Dividends paid	-	(5,356)	-	-	(5,356)
Total transactions with owners in their capacity as owners	<u>272,792</u>	<u>(13,423)</u>	<u>(10,855)</u>	<u>8,890</u>	<u>257,404</u>
<b>Balance at 30.06.2014</b>	<b>272,792</b>	<b>(13,423)</b>	<b>(10,855)</b>	<b>8,890</b>	<b>257,404</b>
<b>Balance at 01.01.2015</b>	<b>298,716</b>	<b>163</b>	<b>(3,887)</b>	<b>10,282</b>	<b>305,274</b>
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	<u>298,716</u>	<u>7,215</u>	<u>4,435</u>	<u>11,042</u>	<u>321,408</u>
<b>Balance at 31.03.2015</b>	<b>298,716</b>	<b>7,215</b>	<b>4,435</b>	<b>11,042</b>	<b>321,408</b>
Profit for the period	-	6,001	-	-	6,001
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(7,528)	(100)	(7,628)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	181	181
Dividends paid	-	(7,418)	-	-	(7,418)
Total transactions with owners in their capacity as owners	<u>298,716</u>	<u>5,798</u>	<u>(3,093)</u>	<u>11,123</u>	<u>312,544</u>
<b>Balance at 30.06.2015</b>	<b>298,716</b>	<b>5,798</b>	<b>(3,093)</b>	<b>11,123</b>	<b>312,544</b>

(In Singapore dollars)

Company	Attributable to owners of the Company			
	Share Capital	Retained Earnings	Other Reserve	Total
	\$'000	\$'000	\$'000	\$'000
<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>
Profit for the period	-	1,461	-	1,461
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	152	152
Dividends paid	-	(5,356)	-	(5,356)
Total transactions with owners in their capacity as owners	272,792	(21,130)	979	252,641
<b>Balance at 30.06.2014</b>	<b>272,792</b>	<b>(21,130)</b>	<b>979</b>	<b>252,641</b>
<b>Balance at 01.01.2015</b>	<b>298,716</b>	<b>(14,240)</b>	<b>770</b>	<b>285,246</b>
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
<b>Balance at 31.03.2015</b>	<b>298,716</b>	<b>(11,930)</b>	<b>973</b>	<b>287,759</b>
Loss for the period	-	(3,099)	-	(3,099)
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	181	181
Dividends paid	-	(7,418)	-	(7,418)
Total transactions with owners in their capacity as owners	298,716	(22,447)	1,154	277,423
<b>Balance at 30.06.2015</b>	<b>298,716</b>	<b>(22,447)</b>	<b>1,154</b>	<b>277,423</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
Balance as at 31.12.2014	927,324,011
Balance as at 30.06.2015	927,324,011

As at 30.06.2015, 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 30 June 2015 was 18,949,000 (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 30.06.2015 (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 30.06.2015

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		Group	
	2nd Qtr 15	2nd Qtr 14	1st Half 15	1st Half 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)	0.65	0.58	1.41	1.68
(b) on a fully diluted basis (cents)	0.63	0.57	1.38	1.64

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 (2Q14: 765,081,393, 1H14: 765,057,360) for the 2nd quarter ended 30.06.2015 and half year ended 30.06.2015 respectively.

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 30.06.2015. The adjusted weighted average number of ordinary shares is 947,103,780 and 947,108,370 (2Q14: 784,942,855, 1H14: 785,097,763) for 2nd quarter ended 30.06.2015 and half year ended 30.06.2015 respectively.

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

Net asset value per ordinary share	Group		Company	
	30.06.15	At 31.12.14	30.06.15	At 31.12.14
Net asset value per ordinary share based on existing issued share capital as at the end of period (cents)	33.70	32.92	29.92	30.76

  

Net tangible asset value per ordinary share	Group		Company	
	30.06.15	At 31.12.14	30.06.15	At 31.12.14
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (cents)	31.61	30.75	29.92	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**

April – June 2015 ("2Q15")

The Group's revenue increased by 44.5% from \$114.5 million in 2Q14 to \$165.4 million in 2Q15, of which \$46.8 million was contributed by First Engineering Limited Group ("FEL") which was acquired in November 2014.

Excluding the contribution from FEL, revenue increased by 3.6% to \$118.5 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.

	2Q15	2Q14	Inc/(Dec)
	\$'000	\$'000	%
Automotive	52,364	28,780	81.9
Consumer/IT	64,575	50,950	26.7
Healthcare	12,361	8,203	50.7
Mould Fabrication	36,066	26,534	35.9
	<u>165,366</u>	<u>114,467</u>	44.5

During the period, gross profit increased by 37.9% from \$15.4 million in 2Q14 to \$21.3 million in 2Q15 which was in line with the increase in revenue. Gross margin for 2Q15 was 12.9% compared to 13.5% in 2Q14. The decrease in gross margin was due to new setup in Thailand and Brazil as well as lower utilization in our South China plant.

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

The increase in other income was due to the foreign exchange gain of \$0.7 million as compared to a foreign exchange loss in 2Q14 and a gain on disposal of investment of \$0.1 million in 2Q15.

The decrease in other expenses was due to the foreign exchange loss of \$1.2 million in 2Q14 as compared to a foreign exchange gain in 2Q15.

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 \$6.0 million in 2Q15 compared to \$4.4 million in 2Q14. Excluding the gain on disposal of investment, amortization of intangible assets and the foreign exchange gain/loss, the net profit would have been \$5.5 million in 2Q15 as compared to \$5.8million in 2Q14.

	2Q15	2Q14
	\$'000	\$'000
Reported Net Profit	6,001	4,439
Adjustment:		
Gain on disposal of investment	(132)	-
Amortisation of intangible assets	420	112
Foreign exchange gain/(loss)	(742)	1,215
Adjusted Net Profit	<u>5,547</u>	<u>5,766</u>



8  
(Cont'd)

## CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment amounted to \$190.1 million as at 30 June 2015 compared to \$193.6 million as at 31 December 2014. Property, plant and equipment were stated net of depreciation charges of \$16.3 million (1H14: \$11.9 million) and partially offset by the additions of \$14.0 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 \$102.7 million as at 30 June 2015 (31 December 2014: \$103.1 million) resulting in net debts of \$28.8 million (31 December 14: \$33.9 million).

## CONSOLIDATED CASHFLOW STATEMENT

April - June 2015 ("2Q15")

Net cash generated from operating activities was \$2.4 million for 2Q15, compared to \$1.6 million for 2Q14. Net cash used in investing activities was \$7.3 million in 2Q15, compared to \$2.0 million 2Q14 mainly due to payment of capital expenditure. Net cash used in financing activities was \$9.2 million in 2Q15, compared to \$5.6 million in 2Q14 due to payment of dividends and payment 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

Overall global economic growth remains subdued. We expect the business environment to remain challenging and volatile for the rest of the year. Although the strengthening of the US\$ has helped to ease some pressure on our operating margin, it is offset by the weakening of the Euro, continuous and significant minimum wage increase in China and pricing pressure from customers.

The integration of First Engineering is still ongoing and on track. We incurred some one time integration costs now, but this should be beneficial longer term. We continue to see opportunities in leveraging operational functions for higher efficiencies and cross selling for our enlarged group.

The overall order backlog remains stable other than one major customer experiencing a slowdown in global demand. We are following it very closely. We continue to receive many new project enquiries from existing and new customers. We continue to capitalize on our competitive advantage in engineering capabilities we developed over the years. It has generated keen interest from our customers through our technological roadshows. Our global manufacturing footprint has also positioned the group to bid for global projects.

Low capacity utilization in our Southern China plant remains the most challenging issue. The effort to accelerate business development continues but there is some way to go. Our newly setup Thailand plant will start mass production in this quarter. The Brazilian economic slowdown has affected our capacity utilization but we expect it to improve in 2H2015 through a new project in which we are in the midst of preparing for mass production.

The group remains optimistic about our long term prospects and continues to strive to achieve a business model that is sustainable with higher profitability to allow reinvestment into engineering and further technological advances.

### 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

11 August 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 second 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