



Financial Statement Announcement for the First Quarter Ended 31 March 2016

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 2016. These figures have not been audited or reviewed.

(In Singapore dollars)	Jan - Mar 2016 \$'000	Jan - Mar 2015 \$'000	+ / (-) %
Revenue	161,250	154,504	4.4
Cost of sales	(139,380)	(133,874)	4.1
Gross Profit	21,870	20,630	6.0
Other items of income			
Interest income	166	114	45.6
Other income	1,094	2,095	(47.8)
Other items of expense			
Marketing and distribution	(3,404)	(3,520)	(3.3)
Administrative expenses	(9,979)	(9,744)	2.4
Other expenses	(3,982)	(946)	n.m.
Finance costs	(970)	(910)	6.6
Share of results of joint venture	128	260	(50.8)
Profit before tax	4,923	7,979	(38.3)
Income tax expense	(1,346)	(927)	45.2
Profit for the period	3,577	7,052	(49.3)
Profit attributable to:			
Owners of the Company	3,577	7,052	(49.3)

Consolidated Statement of comprehensive income for the first quarter ended 31 March 2016. These figures have not been audited or reviewed.

Profit net of tax	3,577	7,052	(49.3)
Other comprehensive income			
Foreign currency translation	(4,147)	8,576	n.m.
Share of foreign currency translation of joint venture	(211)	303	n.m.
Other comprehensive income for the period, net of tax	(4,358)	8,879	n.m.
Total comprehensive income for the period	(781)	15,931	n.m.
Attributable to:			
Owners of the Company	(781)	15,931	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 2016 \$'000	Jan - Mar 2015 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(7,707)	(8,252)	(6.6)
Reversal of impairment on property, plant and equipment	-	9	n.m.
Property, plant and equipment written off	(18)	(9)	100.0
Gain / (loss) on disposal of property, plant and equipment	63	(85)	n.m.
Loss on disposal of a subsidiary	-	(25)	n.m.
Gain on disposal of investment	-	121	n.m.
Write-back for inventories obsolescence/foreseeable losses	57	172	(66.9)
Write-back for doubtful debts	7	-	n.m.
Amortisation of intangible assets	(388)	(376)	3.2
Amortisation of onerous contract	83	89	(6.7)
Foreign exchange (loss) / gain	<u>(3,241)</u>	<u>1,115</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		
	31.03.16 \$'000	31.12.15 \$'000	+ / (-) %	31.03.16 \$'000	31.12.15 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	183,514	186,860	(1.8)	7,751	7,122	8.8
Intangible assets	18,334	18,877	(2.9)	-	-	n.m.
Other investments	8	8	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	335,296	335,296	-
Investment in joint venture	5,452	5,535	(1.5)	-	-	n.m.
Prepayments	363	383	(5.2)	363	383	(5.2)
Deferred tax assets	1,576	1,531	2.9	-	-	n.m.
	209,247	213,194	(1.9)	343,410	342,801	0.2
Current assets						
Inventories	108,279	106,215	1.9	4,119	4,175	(1.3)
Prepayments	6,174	4,356	41.7	447	208	n.m.
Trade and other receivables	162,239	168,050	(3.5)	75,497	88,042	(14.2)
Cash and short term deposits	123,403	121,113	1.9	13,246	7,639	73.4
	400,095	399,734	0.1	93,309	100,064	(6.8)
Less: Current liabilities						
Trade and other payables	149,997	150,493	(0.3)	73,643	74,512	(1.2)
Loans and borrowings	74,025	74,043	(0.0)	37,820	38,039	(0.6)
Tax payable	3,206	2,250	42.5	-	-	n.m.
	227,228	226,786	0.19	111,463	112,551	(0.97)
Net current assets / (liabilities)	172,867	172,948	(0.0)	(18,154)	(12,487)	45.4
Less: Non-current liabilities						
Other liabilities	1,955	2,072	(5.6)	-	-	n.m.
Loans and borrowings	43,057	45,957	(6.3)	37,057	39,467	(6.1)
Deferred tax liabilities	7,277	7,507	(3.1)	-	-	n.m.
	52,289	55,536	(5.8)	37,057	39,467	n.m.
Net assets	329,825	330,606	(0.2)	288,199	290,847	(0.9)
Equity attributable to owners of the Company						
Share capital	299,350	299,350	-	299,350	299,350	-
Reserves	30,475	31,256	(2.5)	(11,151)	(8,503)	31.1
Total equity	329,825	330,606	(0.2)	288,199	290,847	(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 31.03.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
6,118	67,907	6,305	67,738

Amount repayable after one year

As at 31.03.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	43,057	-	45,957

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$ 3.0 mil (31.12.2015: S\$3.0 mil) is secured by cash and bank balances of the same amount of other subsidiary companies.
- First Engineering (Shanghai) Co Ltd's loan of S\$ 3.2 mil (31.12.2015: S\$3.3 mil) is secured by cash and bank balances of the same amount of other subsidiary companies.
- The finance lease of S\$ 0.002 mil (31.12.2015: S\$0.003 mil) booked by SIA Skan Tooling 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 2016

(In Singapore dollars)	Jan - Mar 2016 \$'000	Jan - Mar 2015 \$'000
Cash flows from operating activities:		
Profit before tax	4,923	7,979
Adjustments for:		
Depreciation of property, plant and equipment	7,707	8,252
Reversal of impairment on property, plant and equipment	-	(9)
Property, plant and equipment written off	18	9
Loss on disposal of a subsidiary	-	25
(Gain) / loss on disposal of property, plant and equipment	(63)	85
Write-back for inventories obsolescence/ foreseeable losses	(57)	(172)
Write-back for doubtful debts	(7)	-
Amortisation of intangible assets	388	376
Amortisation of onerous contract	(83)	(89)
Share of results of joint venture	(128)	(260)
Employee share award expenses	230	203
Interest expense	970	910
Interest income	(166)	(114)
Currency realignment	(3,776)	7,806
Operating cashflows before changes in working capital	9,956	25,001
Increase in inventories	(2,007)	(5,342)
Increase in prepayments	(1,798)	(759)
Decrease in trade and other receivables	5,873	1,105
(Decrease) / increase in trade and other payables	(370)	6,195
Cash flows generated from operations	11,654	26,200
Interest paid	(970)	(910)
Interest received	166	114
Income tax paid	(627)	(3,045)
Net cash generated from operating activities	10,223	22,359
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,614)	(5,162)
Net proceeds from disposal of property, plant and equipment	128	124
Net proceeds from disposal of subsidiary	-	2
Net cash used in investing activities	(6,486)	(5,036)
Cash flows from financing activities:		
Proceeds from loans and borrowings	3,590	-
Repayment of loans and borrowings	(6,098)	(3,759)
Decrease in bank balances pledged	-	875
Net cash used in financing activities	(2,508)	(2,884)
Net increase in cash and cash equivalents	1,229	14,439
Cash and cash equivalents at beginning of period	114,811	96,193
Effects of exchange rate changes on opening cash and cash equivalent	1,247	(1,257)
Cash and cash equivalents at end of period	117,287	109,375

Note:

	31.03.2016	31.12.2015	31.03.2015	31.12.2014
Cash & cash at bank	123,403	121,113	115,412	103,105
Less: Bank balances pledged	(6,116)	(6,302)	(6,037)	(6,912)
Cash & cash equivalents	117,287	114,811	109,375	96,193

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 2016

(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 01.01.2015	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
Balance at 01.01.2016	299,350	33,423	(14,138)	11,971	330,606
Profit for the period	-	3,577	-	-	3,577
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(4,276)	(82)	(4,358)
Transfer to statutory reserve	-	(107)	-	107	-
Total transactions with owners in their capacity as owners	299,350	36,893	(18,414)	11,996	329,825
Balance at 31.03.2016	299,350	36,893	(18,414)	11,996	329,825

(In Singapore dollars)

Company	Attributable to owners of the Company			Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	
Balance at 01.01.2015	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
Balance at 01.01.2016	299,350	(9,451)	948	290,847
Profit for the period	-	(2,878)	-	(2,878)
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	230	230
Total transactions with owners in their capacity as owners	299,350	(12,329)	1,178	288,199
Balance at 31.03.2016	299,350	(12,329)	1,178	288,199

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 31.12.2015	186,705,736
Balance as at 31.03.2016	186,705,736

As at 31.03.2016, the share capital of the Company comprised 186,705,736 shares.

The number of shares that may be issued on conversion of share awards as at 31 March 2016 was 3,969,100 (31 December 2015: 3,969,100) 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 31.03.2016 (as at 31.12.15 : 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 31.03.2016

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 31.12.2015 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2016.

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 16	1st Qtr 15
Earnings per ordinary share (EPS) for the period based on net profit attributable to		
(a) on weighted average number of ordinary shares (cents)	1.92	3.80
(b) on a fully diluted basis (cents)	1.88	3.72

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 186,705,736 (1Q15: 185,464,536) for the 1st quarter ended 31.03.2016.

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 31.03.2016. The adjusted weighted average number of ordinary shares is 190,674,836 (1Q15: 189,422,336) for 1st quarter ended 31.03.2016.

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	
	At 31.03.16	At 31.12.15	At 31.03.16	At 31.12.15
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.77	1.77	1.54	1.56

Net tangible asset value per ordinary share	Group		Company	
	At 31.03.16	At 31.12.15	At 31.03.16	At 31.12.15
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.67	1.67	1.54	1.56

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 2016 (“1Q16”)

The Group's revenue increased 4.4% (year-on-year) from \$154.5 million in 1Q15 to \$161.3 million in 1Q16. The increase came from the Automotive and Mould Fabrication business segments, partially offset by declines in Consumer/IT and Healthcare business segments.

The increase in revenue from the Automotive business segment was due to an increase in orders from existing and new projects whereas Mould Fabrication business segment had more orders billed and recognised as each project progressed.

The decrease in revenue from Consumer/IT and Healthcare business segments was due to slow-down in orders.

	Jan - Mar 2016 \$'000	Jan - Mar 2015 \$'000	Inc/(Dec) %
Automotive	58,722	50,616	16.0
Consumer/IT	59,503	61,670	(3.5)
Healthcare	11,817	12,171	(2.9)
Mould Fabrication	31,208	30,047	3.9
	<u>161,250</u>	<u>154,504</u>	4.4

During the period, gross profit increased by 6.0% yoy from \$20.6 million in 1Q15 to \$21.9 million in 1Q16, in line with the increase in revenue. Gross margin improved marginally from 13.4% in 1Q15 to 13.6% in 1Q16.

The decrease in other income was due to a foreign exchange gain of \$1.1 million in 1Q15 compared to a foreign exchange loss of \$3.2 million in 1Q16.

The increase in other expenses was mainly due to the foreign exchange loss of \$3.2 million, resulting from the weakening of US dollar.

The Group achieved a net profit of \$3.6 million in 1Q16 compared to \$7.1 million in 1Q15. Excluding foreign exchange gains/losses, net profit would have been \$6.8 million in 1Q16 and \$5.9 million in 1Q15, representing a 14.8% yoy increase.

	Jan - Mar \$'000	Jan - Mar \$'000	+ / (-) %
Profit for the period reported	3,577	7,052	(49.3)
Adjustments:			
Foreign exchange loss/(gain)	3,241	(1,115)	n.m.
	<u>6,818</u>	<u>5,937</u>	14.8

CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment amounted to \$183.5 million as at 31 March 2016 compared to \$186.9 million as at 31 December 2015. Property, plant and equipment were stated net of depreciation charges of \$7.7 million (1Q15: \$8.3 million) and partially offset by the addition of \$6.5 million in capital expenditure for machineries and currency re-alignment.

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

The Group maintained a cash balance of \$123.4 million as at 31 March 2016 (31 December 2015: \$121.1 million), resulting in net cash position of \$6.3 million (31 December 2015: \$1.1 million), after accounting for loans and borrowings of \$117.1 million (31 December 2015: \$120.0 million).

CONSOLIDATED CASHFLOW STATEMENT

January - March 2016 (“1Q16”)

Net cash generated from operating activities was \$10.2 million for 1Q16, compared to \$22.4 million for 1Q15. Net cash used in investing activities was \$6.5 million for 1Q16 compared to \$5.0 million for 1Q15 due to repayment for purchase of property, plant and equipment.

Net cash used in financing activities was \$2.5 million in 1Q16 due to repayment of loans, compared to \$2.9 million in 1Q15.

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 macroeconomic environment remains challenging. Operational costs continue to rise as minimum wages are raised e.g. in Shanghai. We continue to stay vigilant in these uncertain market conditions. We were affected by the foreign exchange market, particularly with the weakening of the US dollar in 1Q16. The Group tries to achieve a natural hedge in its operations. We ensure that the terms and conditions of new project deals include forex fluctuation and raw material costs clauses. This allows the Group to renegotiate project terms during times of volatility in order to mitigate downside exposure, but this is usually lagged as there is a period of negotiation.

While we adopt a cautious approach in view of the macroeconomic environment, the Group focuses on what we can control; improving operational efficiencies internally in order to continue sustainable growth. With a proactive approach to improving the utilisation levels of the Group's Southern China plant, we made a strategic decision to restructure our plant in Zhongshan, China. This restructuring exercise was initiated towards the end of March.

As an update, the construction of our plant in Chuzhou, China remains on track and the Group targets completion by end of 2016.

In terms of business operations, the Group expects all business segments: Automotive, Healthcare, Consumer/IT and Tooling to remain stable in 2016. Supported by our diversified blue-chip clientele base, sales backlog remains healthy. The Group expects to ramp up production in 2H16 for some automotive projects awarded over the last two years.

Despite a subdued business environment, the Group remains cautiously optimistic. Leveraging on the Group's global footprint and economies of scale in operations, we also differentiate with our engineering capabilities to undertake complex projects and deliver quality products. With a sustainable business model, the Group continues to generate positive operating cash flow that strengthens its balance sheet to S\$123.4 million of cash and short-term deposits. This also improved the Group's net cash position to S\$6.3 million, bolstering resilience in the present business climate.

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

25 April 2016

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 2016 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

15 Issuer to confirm that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1)

The Board of Directors confirms that they have procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1).