

Financial Statement Announcement for the Year Ended 31 March 2017

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 financial year ended 31 March 2017. These figures have not been audited or reviewed.

(In Singapore dollars)	Jan - Mar 2017 \$'000	Jan - Mar 2016 \$'000	+ / (-) %
Revenue	171,781	161,250	6.5
Cost of sales	(145,930)	(139,380)	4.7
Gross Profit	25,851	21,870	18.2
Other items of income			
Interest income	96	154	(37.7)
Other income	1,602	1,094	46.4
Other items of expense			
Marketing and distribution	(3,932)	(3,404)	15.5
Administrative expenses	(9,976)	(9,979)	(0.0)
Other expenses	(3,232)	(3,982)	(18.8)
Finance costs	(759)	(958)	(20.8)
Share of results of joint venture	178	128	39.1
Profit before tax	9,828	4,923	99.6
Income tax expense	(2,130)	(1,346)	58.2
Profit for the period	7,698	3,577	n.m
Profit attributable to:			
Owners of the Company	7,698	3,577	n.m

Consolidated Statement of comprehensive income for the financial year ended 31 March 2017. These figures have not been audited or reviewed.

Profit net of tax	7,698	3,577	n.m
Other comprehensive income			
Foreign currency translation	(9,475)	(4,377)	n.m
Share of foreign currency translation of joint venture	(230)	(211)	9.0
Other comprehensive income for the period, net of tax	(9,705)	(4,588)	n.m
Total comprehensive income for the period	(2,007)	(1,011)	98.5
Attributable to:			
Owners of the Company	(2,007)	(1,011)	98.5

- 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 2017 \$'000	Jan - Mar 2016 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(7,106)	(7,707)	(7.8)
Property, plant and equipment written off	(140)	(18)	n.m.
Gain on disposal of property, plant and equipment	387	63	n.m.
Write-back for inventories obsolescence/ foreseeable losses	59	57	3.5
Write-back for doubtful debts	12	7	71.4
Amortisation of intangible assets	(389)	(388)	0.3
Utilisation of provision for onerous contract	83	83	-
Foreign exchange loss	<u>(2,123)</u>	<u>(3,241)</u>	(34.5)

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		
	31.03.2017 \$'000	31.12.2016 \$'000	+ / (-) %	31.03.2017 \$'000	31.12.2016 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	186,326	191,608	(2.8)	9,767	9,841	(0.8)
Intangible assets	16,873	17,444	(3.3)	-	-	n.m.
Other investments	288	8	n.m.	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	336,864	335,950	0.3
Investment in joint venture	5,218	5,269	(1.0)	-	-	n.m.
Prepayments	281	301	(6.6)	280	301	(7.0)
Deferred tax assets	1,761	1,598	10.2	-	-	n.m.
	210,747	216,228	(2.5)	346,911	346,092	0.2
Current assets						
Inventories	121,393	114,937	5.6	4,910	3,661	34.1
Prepayments	4,337	4,947	(12.3)	374	455	(17.8)
Trade and other receivables	185,569	197,145	(5.9)	77,223	84,192	(8.3)
Cash and short term deposits	112,632	115,255	(2.3)	10,380	7,824	32.7
	423,931	432,284	(1.9)	92,887	96,132	(3.4)
Less: Current liabilities						
Trade and other payables	172,672	183,871	(6.1)	76,177	80,578	(5.5)
Loans and borrowings	67,719	64,564	4.9	35,024	35,262	(0.7)
Tax payable	3,270	3,933	(16.9)	-	-	n.m.
	243,661	252,368	(3.5)	111,201	115,840	(4.0)
Net current assets / (liabilities)	180,270	179,916	0.2	(18,314)	(19,708)	(7.1)
Less: Non-current liabilities						
Other liabilities	1,526	1,571	(2.9)	-	-	n.m.
Loans and borrowings	32,152	35,194	(8.6)	27,417	29,827	(8.1)
Deferred tax liabilities	7,760	8,062	(3.7)	-	-	n.m.
	41,438	44,827	(7.6)	27,417	29,827	(8.1)
Net assets	349,579	351,317	(0.5)	301,180	296,557	1.6
Equity attributable to owners of the Company						
Share capital	300,146	300,146	-	300,146	300,146	-
Reserves	49,433	51,171	(3.4)	1,034	(3,589)	n.m.
Total equity	349,579	351,317	(0.5)	301,180	296,557	1.6

1(b)(ii)

Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.03.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,626	66,093	1,673	62,891

Amount repayable after one year

As at 31.03.2017		As at 31.12.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3	32,149	4	35,190

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of \$ 1.6 million (31.12.2016: \$1.7 million) is secured by cash and bank balances of the same amount of other subsidiary companies.
- The finance lease of \$0.003 million (31.12.2016: \$0.004 million) 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 financial year ended 31 March 2017

(In Singapore dollars)	Jan - Mar 2017 \$'000	Jan - Mar 2016 \$'000
Cash flows from operating activities:		
Profit before tax	9,828	4,923
Adjustments for:		
Depreciation of property, plant and equipment	7,106	7,707
Property, plant and equipment written off	140	18
Gain on disposal of property, plant and equipment	(387)	(63)
Write-back for inventories obsolescence/foreseeable losses	(59)	(57)
Write-back for doubtful debts	(12)	(7)
Amortisation of intangible assets	389	388
Utilisation of provision for onerous contract	(83)	(83)
Share of results of joint venture	(178)	(128)
Employee share award expenses	269	230
Interest expense	759	958
Interest income	(96)	(154)
Currency realignment	(2,702)	(1,282)
Operating cashflows before changes in working capital	14,974	12,450
Increase in inventories	(6,397)	(2,007)
Decrease/(increase) in prepayments	630	(1,798)
Decrease in trade and other receivables	11,644	5,873
Decrease in trade and other payables	(10,434)	(370)
Cash flows from operations	10,417	14,148
Interest paid	(759)	(958)
Interest received	96	154
Income tax paid	(2,957)	(627)
Net cash from operating activities	6,797	12,717
Cash flows from investing activities:		
Purchase of property, plant and equipment	(9,904)	(6,614)
Net proceeds from disposal of property, plant and equipment	2,979	128
Net proceeds from disposal of other investment	1	-
Purchase of other investments	(280)	-
Net cash used in investing activities	(7,204)	(6,486)
Cash flows from financing activities:		
Proceeds from loans and borrowings	5,436	3,590
Repayment of loans and borrowings	(5,077)	(6,098)
Net cash flows from/(used in) financing activities	359	(2,508)
Net (decrease) /increase in cash and cash equivalents	(48)	3,723
Cash and cash equivalents at beginning of period	113,024	114,811
Effects of exchange rate changes on opening cash and cash equivalent	(3,029)	(1,247)
Cash and cash equivalents at end of period	109,947	117,287

Note:

	31.03.2017	31.12.2016	31.03.2016	31.12.2015
Cash and cash at bank	112,632	115,255	123,403	121,113
Less: Bank overdraft	(1,063)	(562)	-	-
Less: Bank balances pledged	(1,622)	(1,669)	(6,116)	(6,302)
Cash and cash equivalents	109,947	113,024	117,287	114,811

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 financial year ended 31 March 2017

(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 01.01.2016	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)	(312)	(4,588)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	230	230
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
Balance at 01.01.2017	300,146	61,927	(23,488)	12,732	351,317
Profit for the period	-	7,698	-	-	7,698
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(9,431)	(274)	(9,705)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	269	269
Transfer to statutory reserve	-	(138)	-	138	-
Total transactions with owners in their capacity as owners	300,146	69,487	(32,919)	12,865	349,579
Balance at 31.03.2017	300,146	69,487	(32,919)	12,865	349,579

(In Singapore dollars)

Company

	Attributable to owners of the Company			Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	
Balance at 01.01.2016	299,350	(9,451)	948	290,847
Loss 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
Balance at 01.01.2017	300,146	(4,651)	1,062	296,557
Profit for the period	-	4,354	-	4,354
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	269	269
Total transactions with owners in their capacity as owners	300,146	(297)	1,331	301,180
Balance at 31.03.2017	300,146	(297)	1,331	301,180

- 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 31.12.2016	188,055,336
Balance as at 31.03.2017	188,055,336

As at 31.03.2017, the share capital of the Company comprised 188,055,336 shares.

The number of shares that may be issued on conversion of share awards as at 31.03.2017 was 3,957,500 (31.12.2016: 3,957,500) 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 31.03.2017 (as at 31.12.16 : 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 31.03.2017

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 31.12.2016 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2017.

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 17	1st Qtr 16
Earnings per ordinary share (EPS) for the period based on net profit attributable to		
(a) on weighted average number of ordinary shares (cents)	4.09	1.92
(b) on a fully diluted basis (cents)	4.01	1.88

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 188,055,336 (1Q16: 186,705,736) for the 1st quarter ended 31.03.2017.

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 31.03.2017. The adjusted weighted average number of ordinary shares is 192,012,836 (1Q16: 190,674,836) for 1st quarter ended 31.03.2017.

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 31.03.17	At 31.12.16	At 31.03.17	At 31.12.16
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.86	1.87	1.60	1.58

Net tangible asset value per ordinary share	Group		Company	
	At 31.03.17	At 31.12.16	At 31.03.17	At 31.12.16
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (\$)	1.77	1.78	1.60	1.58

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 2017 (“1Q17”)

The Group's revenue increased 6.5% year-on-year (“yoy”) from \$161.3 million for 1Q16 to \$171.8 million for 1Q17. The Group reported an increase in revenue from all business segments except for the Mould Fabrication segment.

	Jan-Mar 2017	Jan-Mar 2016	Inc/(Dec)
	\$'000	\$'000	%
Automotive	67,336	58,722	14.7
Consumer/IT	65,894	59,503	10.7
Healthcare	13,693	11,817	15.9
Mould Fabrication	24,858	31,208	(20.3)
	<u>171,781</u>	<u>161,250</u>	6.5

During the period, gross profit increased by 18.2% yoy from \$21.9 million for 1Q16 to \$25.9 million for 1Q17, in line with the increase in revenue. Gross margin improved from 13.6% for 1Q16 to 15.0% for 1Q17.

The increase in other income was due to a gain on the disposal of plant, property and equipment (“PPE”) of \$0.4 million for 1Q17 as compared to \$0.06 million for 1Q16.

The decrease in other expenses was mainly due to foreign exchange loss of \$2.1 million for 1Q17 as compared to \$3.2 million for 1Q16.

The Group achieved a net profit of \$7.7 million for 1Q17 compared to \$3.6 million for 1Q16. Excluding foreign exchange losses, gain on disposal of PPE and retrenchment costs, net profit would have been \$9.5 million in 1Q17 and \$6.8 million in 1Q16, representing a 41.3% yoy increase.

	Jan-Mar 2017	Jan-Mar 2016	Inc/(Dec)
	\$'000	\$'000	%
Profit for the period reported	7,698	3,577	115.2
Adjustments :			
Foreign exchange loss	2,123	3,241	(34.5)
Gain on disposal of PPE	(387)	(63)	n.m.
Retrenchment costs	113	-	n.m.
	<u>9,547</u>	<u>6,755</u>	41.3

CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment amounted \$186.3 million as at 31 March 2017, compared to \$191.6 million as at 31 December 2016. Property, plant and equipment were stated net of depreciation charges of \$7.1 million (1Q16: \$7.7 million) and partially offset by currency re-alignment and the addition of \$9.2 million (1Q16: \$6.5 million) in capital expenditure for machineries and building.

The Group maintained a cash balance of \$112.6 million as at 31 March 2017 (31 December 2016: \$115.3 million), resulting in a net cash position of \$12.7 million (31 December 2016: \$15.5 million), after accounting for loans and borrowings of \$99.9 million (31 December 2016: \$99.8 million). The decrease in net cash was due to foreign currency translation loss of \$3.0 million on the opening balance of cash and cash at bank and payment of capital expenditure of \$9.9 million (1Q16: \$6.6 million).

CONSOLIDATED CASHFLOW STATEMENT

January - March 2017 ("1Q17")

Net cash from operating activities was \$6.8 million for 1Q17, compared to \$12.7 million for 1Q16. Net cash used in investing activities was \$7.2 million for 1Q17 compared to \$6.5 million for 1Q16 due to payment for purchase of property, plant and equipment which was partially offset by net proceeds for the disposal of property, plant and equipment.

Net cash from financing activities was \$0.4 million for 1Q17 due to proceeds from loans, compared to \$2.5 million in 1Q16.

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 in the business landscape. Overall, sentiment remains subdued while economic headwinds such as rising labour costs and foreign exchange rate volatility present challenges to the Group's global operations. Coupled with these uncertainties, the Group continues to face pricing pressure from customers. Against this backdrop, the Group continues to drive operational efficiency and streamline its operations. This translated to the expansion of the Group's gross profit margin to 15.0% for 1QFY2017. Heading into the remainder of the year, the Group remains committed to operational excellence in order to boost productivity.

In line with the Group's strategy of investing for future growth, the Group will begin the construction of a new manufacturing facility in Penang, Malaysia. This new site is scheduled for completion by the end of the first quarter in 2018 and will incorporate the Group's latest precision engineering technology. In addition, the Group will progressively add capacity to its newest manufacturing plant in Chuzhou, China as it continues to optimise resources in the region.

Through intensive business development initiatives, the Group has maintained a stable order book across the Automotive, Consumer/IT, Healthcare and Mould Fabrication segments. The Group has indicated that the Automotive segment will be a key growth driver in the year ahead. With a global manufacturing footprint across 19 locations in nine different countries, the Group continues to receive enquiries from customers who are confident in the Group's ability to handle projects on a global scale.

Supported by a diverse customer base and wide product mix offering, the Group remains cautiously optimistic for FY2017. The Group's core business segments continue to generate strong positive operating cash flows, resulting in a net cash position of S\$12.8 million as at 31 March 2017. This augurs well for the Group as it looks to further diversify its customer base and expand its product offering by developing new engineering capabilities. Overall, the Group's long-term strategy of developing a sustainable and profitable business model remains on track.

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 2017

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 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).