

Financial Statement Announcement for the second quarter ended 30 June 2018

**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 second quarter ended 30 June 2018. These figures have not been audited or reviewed.

(In Singapore dollars)	Apr - Jun 2018 \$'000	Apr - Jun 2017 \$'000	+ / (-) %	Jan - Jun 2018 \$'000	Jan - Jun 2017 \$'000	+ / (-) %
<b>Revenue</b>	<b>181,866</b>	<b>177,578</b>	<b>2.4</b>	<b>350,840</b>	<b>349,359</b>	<b>0.4</b>
Cost of sales	(158,823)	(149,884)	6.0	(306,388)	(295,814)	3.6
<b>Gross profit</b>	<b>23,043</b>	<b>27,694</b>	<b>(16.8)</b>	<b>44,452</b>	<b>53,545</b>	<b>(17.0)</b>
<b>Other items of income</b>						
Interest income	112	75	49.3	226	189	19.6
Other income	5,402	858	529.6	6,914	2,442	183.1
<b>Other items of expense</b>						
Marketing and distribution	(3,569)	(3,642)	(2.0)	(6,908)	(7,574)	(8.8)
Administrative expenses	(10,744)	(9,963)	7.8	(20,962)	(19,939)	5.1
Other expenses	(1,729)	(3,668)	(52.9)	(7,634)	(6,900)	10.6
Finance costs	(1,151)	(802)	43.5	(2,121)	(1,561)	35.9
<b>Share of results of joint venture</b>	<b>508</b>	<b>208</b>	<b>144.2</b>	<b>862</b>	<b>386</b>	<b>123.3</b>
<b>Profit before tax</b>	<b>11,872</b>	<b>10,760</b>	<b>10.3</b>	<b>14,829</b>	<b>20,588</b>	<b>(28.0)</b>
Income tax expense	(2,135)	(2,561)	(16.6)	(3,152)	(4,691)	(32.8)
<b>Profit for the period</b>	<b>9,737</b>	<b>8,199</b>	<b>18.8</b>	<b>11,677</b>	<b>15,897</b>	<b>(26.5)</b>
<b>Profit attributable to:</b>						
Owners of the Company	<b>9,737</b>	<b>8,199</b>	<b>18.8</b>	<b>11,677</b>	<b>15,897</b>	<b>(26.5)</b>

Consolidated statement of comprehensive income for second quarter ended 30 June 2018. These figures have not been audited or reviewed.

<b>Profit net of tax</b>	<b>9,737</b>	<b>8,199</b>	<b>18.8</b>	<b>11,677</b>	<b>15,897</b>	<b>(26.5)</b>
Other comprehensive income						
Foreign currency translation	3,330	3,816	(12.7)	9,632	(5,659)	(270.2)
Share of foreign currency translation of joint venture	(16)	3	(633.3)	39	(227)	(117.2)
<b>Other comprehensive income for the period, net of tax</b>	<b>3,314</b>	<b>3,819</b>	<b>(13.2)</b>	<b>9,671</b>	<b>(5,886)</b>	<b>(264.3)</b>
<b>Total comprehensive income for the period</b>	<b>13,051</b>	<b>12,018</b>	<b>8.6</b>	<b>21,348</b>	<b>10,011</b>	<b>113.2</b>
<b>Attributable to:</b>						
Owners of the Company	<b>13,051</b>	<b>12,018</b>	<b>8.6</b>	<b>21,348</b>	<b>10,011</b>	<b>113.2</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 2018 \$'000	Apr - Jun 2017 \$'000	+ / (-) %	Jan - Jun 2018 \$'000	Jan - Jun 2017 \$'000	+ / (-) %
Depreciation of property, plant and equipment	(7,498)	(6,998)	7.1	(14,970)	(14,104)	6.1
Property, plant and equipment written off	(14)	(23)	(39.1)	(23)	(163)	(85.9)
(Loss)/gain on disposal of property, plant and equipment	(136)	(25)	444.0	(100)	362	(127.6)
Allowance for inventories obsolescence/foreseeable losses	(485)	(1,137)	(57.3)	(442)	(1,078)	(59.0)
(Allowance)/write back for doubtful debts	(15)	6	(350.0)	(10)	18	(155.6)
Amortisation of intangible assets	(372)	(393)	(5.3)	(751)	(782)	(4.0)
Reversal of provision for onerous contract	80	84	(4.8)	161	167	(3.6)
Foreign exchange gain/(loss)	3,375	(2,615)	(229.1)	(1,830)	(4,738)	(61.4)

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		
	30.06.2018 \$'000	31.12.2017 \$'000	+ / (-) %	30.06.2018 \$'000	31.12.2017 \$'000	+ / (-) %
<b>Non-current assets</b>						
Property, plant and equipment	193,575	193,865	(0.1)	9,877	10,038	(1.6)
Intangible assets	14,870	15,583	(4.6)	-	-	n.m.
Other investments	1,429	1,428	0.1	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	365,606	338,254	8.1
Investment in joint venture	6,649	6,077	9.4	-	-	n.m.
Prepayments	260	260	-	260	260	-
Other receivables	-	-	n.m.	373	30,661	(98.8)
Deferred tax assets	2,494	2,471	0.9	-	-	n.m.
	<b>219,277</b>	<b>219,684</b>	<b>(0.2)</b>	<b>376,116</b>	<b>379,213</b>	<b>(0.8)</b>
<b>Current assets</b>						
Inventories	146,692	141,009	4.0	9,367	4,483	108.9
Prepayments	5,743	5,476	4.9	473	664	(28.8)
Trade and other receivables	221,396	212,381	4.2	49,038	46,899	4.6
Cash and short term deposits	88,333	105,281	(16.1)	1,117	7,654	(85.4)
	<b>462,164</b>	<b>464,147</b>	<b>(0.4)</b>	<b>59,995</b>	<b>59,700</b>	<b>0.5</b>
<b>Non-current assets held for sales (Note 1)</b>	<b>8,789</b>	<b>-</b>	<b>n.m.</b>	<b>-</b>	<b>-</b>	<b>n.m.</b>
	<b>470,953</b>	<b>464,147</b>	<b>1.5</b>	<b>59,995</b>	<b>59,700</b>	<b>0.5</b>
<b>Less: Current liabilities</b>						
Trade and other payables	191,382	201,225	(4.9)	72,174	62,091	16.2
Loans and borrowings	62,781	60,819	3.2	28,309	30,197	(6.3)
Tax payable	4,087	3,064	33.4	-	-	n.m.
	<b>258,250</b>	<b>265,108</b>	<b>(2.6)</b>	<b>100,483</b>	<b>92,288</b>	<b>8.9</b>
Net current assets / (liabilities)	212,703	199,039	6.9	(40,488)	(32,588)	24.2
<b>Less: Non-current liabilities</b>						
Other liabilities	1,951	2,164	(9.8)	-	-	n.m.
Loans and borrowings	42,900	42,861	0.1	20,267	26,787	(24.3)
Deferred tax liabilities	7,573	7,574	(0.0)	-	-	n.m.
	<b>52,424</b>	<b>52,599</b>	<b>(0.3)</b>	<b>20,267</b>	<b>26,787</b>	<b>(24.3)</b>
<b>Net assets</b>	<b>379,556</b>	<b>366,124</b>	<b>3.7</b>	<b>315,361</b>	<b>319,838</b>	<b>(1.4)</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	301,015	301,015	-	301,015	301,015	-
Reserves	78,541	65,109	20.6	14,346	18,823	(23.8)
<b>Total equity</b>	<b>379,556</b>	<b>366,124</b>	<b>3.7</b>	<b>315,361</b>	<b>319,838</b>	<b>(1.4)</b>

Note 1: This relates to the property located at Zhongshan where the Company has appointed Knight Frank (Shanghai) Property Consultants Company Limited to execute the sales process as announced on 25 April 2018

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

Amount repayable in one year or less, or on demand

As at 30.06.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,657	61,124	1,641	59,178

Amount repayable after one year

As at 30.06.2018		As at 31.12.2017	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	42,900	-	42,861

Details of any collateral

Collateral for secured borrowings is as follows:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of \$1.7 million (31.12.2017: \$1.6 million) is secured by cash and bank balances of the same amount of other subsidiary companies.
- The finance lease of \$0.002 million (31.12.2017: \$0.004 million) recorded by SIA Skan Tooling is secured by certain fixed assets of the 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 second quarter ended 30 June 2018**

(In Singapore dollars)	Apr - Jun 2018 \$'000	Apr - Jun 2017 \$'000	Jan - Jun 2018 \$'000	Jan - Jun 2017 \$'000
<b>Cash flows from operating activities:</b>				
Profit before tax	11,872	10,760	14,829	20,588
Adjustments for:				
Depreciation of property, plant and equipment	7,498	6,998	14,970	14,104
Property, plant and equipment written off	14	23	23	163
Loss/(gain) on disposal of property, plant and equipment	136	25	100	(362)
Allowance for inventories obsolescence/foreseeable losses	485	1,137	442	1,078
Allowance/(write back) for doubtful debts	15	(6)	10	(18)
Amortisation of intangible assets	372	393	751	782
Reversal of provision for onerous contract	(80)	(84)	(161)	(167)
Share of results of joint venture	(508)	(208)	(862)	(386)
Provision for retrenchment costs	-	134	-	247
Grant of equity-settled share awards to employees	299	267	598	536
Interest expense	1,151	802	2,121	1,561
Interest income	(112)	(92)	(226)	(206)
Currency realignment	2,807	2,479	6,738	(76)
<b>Operating cashflows before changes in working capital</b>	<b>23,949</b>	<b>22,628</b>	<b>39,333</b>	<b>37,844</b>
Increase in inventories	(4,356)	(13,390)	(6,125)	(19,787)
Increase in prepayments	(283)	(940)	(268)	(310)
Increase in trade and other receivables	(24,897)	(27,412)	(9,025)	(15,768)
Increase/(decrease) in trade and other payables	11,890	34,663	(8,346)	24,823
Retrenchment costs	(191)	(116)	(341)	(693)
<b>Cash flows from operations</b>	<b>6,112</b>	<b>15,433</b>	<b>15,228</b>	<b>26,109</b>
Interest paid	(1,151)	(802)	(2,121)	(1,561)
Interest received	112	92	226	206
Income tax paid	(895)	(2,601)	(2,255)	(5,558)
<b>Net cash flows from operating activities</b>	<b>4,178</b>	<b>12,122</b>	<b>11,078</b>	<b>19,196</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(12,326)	(7,710)	(22,979)	(17,614)
Net proceeds from disposal of property, plant and equipment	38	131	137	2,833
Net proceeds from disposal of other investment	-	-	-	1
Dividend income from joint venture	383	140	383	140
Purchase of other investments	-	(975)	-	(1,255)
<b>Net cash flows used in investing activities</b>	<b>(11,905)</b>	<b>(8,414)</b>	<b>(22,459)</b>	<b>(15,895)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from loans and borrowings	4,717	9,833	13,831	15,269
Repayment of loans and borrowings	(6,241)	(1,773)	(12,343)	(6,850)
Dividends paid to shareholders	(8,514)	(11,283)	(8,514)	(11,283)
<b>Net cash flows used in financing activities</b>	<b>(10,038)</b>	<b>(3,223)</b>	<b>(7,026)</b>	<b>(2,864)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(17,765)</b>	<b>485</b>	<b>(18,407)</b>	<b>437</b>
Cash and cash equivalents at beginning of period	103,295	109,947	102,951	113,024
Effects of exchange rate changes on cash and cash equivalent	379	217	1,365	(2,812)
<b>Cash and cash equivalents at end of period</b>	<b>85,909</b>	<b>110,649</b>	<b>85,909</b>	<b>110,649</b>

**Note:**

	30.06.2018	31.12.2017	30.06.2017	31.12.2016
Cash and cash at bank	88,333	105,281	113,220	115,255
Less: Bank overdraft	(769)	(693)	(942)	(562)
Less: Bank balances pledged	(1,655)	(1,637)	(1,629)	(1,669)
Cash and cash equivalents	<b>85,909</b>	<b>102,951</b>	<b>110,649</b>	<b>113,024</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>		
Cash and cash at bank	105,448	112,632		
Less: Bank overdraft	(487)	(1,063)		
Less: Bank balances pledged	(1,666)	(1,622)		
Cash and cash equivalents	<b>103,295</b>	<b>109,947</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 second quarter ended 30 June 2018

(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 01.01.2017 - As previously reported</b>	<b>300,146</b>	<b>61,927</b>	<b>(23,488)</b>	<b>12,732</b>	<b>351,317</b>
Adjustment from adoption of SFRS(I)	-	(23,488)	23,488	-	-
<b>Balance at 01.01.2017 - As restated</b>	<b>300,146</b>	<b>38,439</b>	-	<b>12,732</b>	<b>351,317</b>
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	-
<b>Balance at 31.03.2017 - As restated</b>	<b>300,146</b>	<b>45,999</b>	<b>(9,431)</b>	<b>12,865</b>	<b>349,579</b>
Profit for the period	-	8,199	-	-	8,199
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	3,740	79	3,819
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	267	267
Dividends paid	-	(11,283)	-	-	(11,283)
<b>Balance at 30.06.2017</b>	<b>300,146</b>	<b>42,915</b>	<b>(5,691)</b>	<b>13,211</b>	<b>350,581</b>
<b>Balance at 01.01.2018 - As restated</b>	<b>301,015</b>	<b>52,661</b>	<b>(1,632)</b>	<b>14,080</b>	<b>366,124</b>
Profit for the period	-	1,940	-	-	1,940
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	6,034	323	6,357
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
<b>Balance at 31.03.2018</b>	<b>301,015</b>	<b>54,601</b>	<b>4,402</b>	<b>14,702</b>	<b>374,720</b>
Profit for the period	-	9,737	-	-	9,737
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(166)	3,480	3,314
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	299	299
Dividends paid	-	(8,514)	-	-	(8,514)
<b>Balance at 30.06.2018</b>	<b>301,015</b>	<b>55,824</b>	<b>4,236</b>	<b>18,481</b>	<b>379,556</b>

(In Singapore dollars)

#### Company

	Attributable to owners of the Company			Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	
<b>Balance at 01.01.2017</b>	<b>300,146</b>	<b>(4,651)</b>	<b>1,062</b>	<b>296,557</b>
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
<b>Balance at 31.03.2017</b>	<b>300,146</b>	<b>(297)</b>	<b>1,331</b>	<b>301,180</b>
Profit for the period	-	7,175	-	7,175
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	267	267
Dividends paid	-	(11,283)	-	(11,283)
<b>Balance at 30.06.2017</b>	<b>300,146</b>	<b>(4,405)</b>	<b>1,598</b>	<b>297,339</b>
<b>Balance at 01.01.2018</b>	<b>301,015</b>	<b>17,522</b>	<b>1,301</b>	<b>319,838</b>
Profit for the period	-	398	-	398
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	299	299
Issue of share under share awards	-	-	-	-
<b>Balance at 31.03.2018</b>	<b>301,015</b>	<b>17,920</b>	<b>1,600</b>	<b>320,535</b>
Profit for the period	-	3,041	-	3,041
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	299	299
Dividends paid	-	(8,514)	-	(8,514)
<b>Balance at 30.06.2018</b>	<b>301,015</b>	<b>12,447</b>	<b>1,899</b>	<b>315,361</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 31.12.2017	189,205,336
Balance as at 30.06.2018	189,205,336

As at 30.06.2018, the share capital of the Company comprised 189,205,336 ordinary shares.

The number of shares that may be issued on conversion of share awards as at 30.06.2018 was 3,501,500 (31.12.2017: 3,501,500) 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 30.06.2018 (31.12.2017 : 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 30.06.2018

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 year ended 31.12.2017, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 01.01.2018.

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

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 01.01.2017, and accordingly, has reclassified an amount of \$23,488,000 of foreign currency translation reserve to the opening retained earnings as at 01.01.2017.

Other than the effect of the matter as described above, the adoption of the new and revised standards did not have any material effect on the financial performance or position of the Group.

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 2018	2nd Qtr 2017	1st Half 2018	1st Half 2017
Earnings per ordinary share (EPS) for the period based on net profit attributable to				
(a) on weighted average number of ordinary shares (cents)	5.15	4.36	6.17	8.45
(b) on a fully diluted basis (cents)	5.05	4.27	6.06	8.28

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 189,205,336 (2Q2017: 188,055,336) for second quarter ended 30.06.2018.

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 30.06.2018. The adjusted weighted average number of ordinary shares is 192,706,836 (2Q2017: 192,012,836) for second quarter ended 30.06.2018.

**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 30.06.2018	At 31.12.2017	At 30.06.2018	At 31.12.2017
Net asset value per ordinary share				
Net asset value per ordinary share based on existing issued share capital as at the end of period (\$)	2.01	1.94	1.67	1.69

	Group		Company	
	At 30.06.2018	At 31.12.2017	At 30.06.2018	At 31.12.2017
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 (\$)	1.93	1.85	1.67	1.69

**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 2018 (“2Q18”)**

The Group's revenue increased 2.4% year-on-year (“yoy”) from \$177.6 million for 2Q17 to \$181.9 million for 2Q18.

The Group reported an increase in revenue from all business segments except for the Consumer/IT segment. The decrease in revenue from the Consumer/IT segment was mainly due to certain projects that had reached end-of-life while new projects have yet to commence their production ramp-up phase.

	Apr - Jun 2018 \$'000	Apr - Jun 2017 \$'000	Inc/(Dec) %
Automotive	71,055	65,532	8.4
Consumer/IT	67,352	71,009	(5.2)
Healthcare	13,657	12,417	10.0
Mould Fabrication	29,802	28,620	4.1
	<u>181,866</u>	<u>177,578</u>	2.4

The Group's gross profit decreased 16.8% yoy from \$27.7 million for 2Q17 to \$23.0 million for 2Q18. Correspondingly, the Group's gross profit margin declined from 15.6% for 2Q17 to 12.7% for 2Q18. This was mainly due to lower utilization levels as a result of the Group's new manufacturing facility in Penang, pricing pressure from customers and preparations for new projects expected to launch in 2H2018. Excluding the impact of the new factory in Penang, the Group's gross profit margin would have been 13.1%.

The increase in other income was due to foreign exchange gain of \$3.4 million for 2Q18.

The increase in administrative expenses from \$10.0 million for 2Q17 to \$10.7 million for 2Q18 was due to higher staff costs and related professional fees.

The decrease in other expenses was mainly due to foreign exchange losses amounting to \$2.6 million for 2Q17 whereas the Group reported foreign exchange gain under other income for 2Q18.

The increase in finance costs was due to the loan for the Group's Chuzhou factory which was drawn down in June 2017 and a loan for the Group's new Penang factory which has been drawn down progressively during the first half of 2018.

The Group achieved a net profit of \$9.7 million for 2Q18 compared to a net profit of \$8.2 million for 2Q17. Excluding foreign exchange gains and losses, retrenchment costs and startup losses incurred in relation to the Group's new plant in Penang, net profit would have been \$7.4 million for 2Q18 and \$10.9 million for 2Q17, representing a 32.9% yoy decline.

	Apr - Jun 2018 \$'000	Apr - Jun 2017 \$'000	+ / (-) %
Profit for the period reported	9,737	8,199	18.8
Adjustments:			
Foreign exchange (gain)/loss	(3,375)	2,615	n.m.
Retrenchment costs	-	134	n.m.
Loss incurred in Penang plant	988	-	n.m.
	<u>7,350</u>	<u>10,948</u>	(32.9)

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

The Group's PPE amounted to \$193.6 million as at 30 June 2018 as compared to \$193.9 million as at 31 December 2017. PPE was stated net of depreciation charges of \$15.0 million (1H17: \$14.1 million), partially offset by currency re-alignment and the addition of \$21.8 million (1H17: \$17.3 million) in PPE.

The Group maintained a cash balance of \$88.3 million as at 30 June 2018 (31 December 2017: \$105.3 million). This resulted in a net debt position of \$17.3 million (31 December 2017: net cash \$1.6 million) after accounting for loans and borrowings amounting to \$105.7 million (31 December 2017: \$103.7 million). The decrease in net cash was due to the payment of capital expenditure amounting to \$23.0 million and the payment of dividends amounting to \$8.5 million.

**CONSOLIDATED CASHFLOW STATEMENT**

**April – June 2018 ("2Q18")**

Net cash flows from operating activities amounted to \$4.2 million for 2Q18 as compared to \$12.1 million for 2Q17. Net cash flows used in investing activities amounted to \$11.9 million for 2Q18 as compared to \$8.4 million for 2Q17 due to payments made for the purchase of PPE.

Net cash flows used in financing activities amounted to \$10.0 million for 2Q18 as compared to \$3.2 million for 2Q17. This was mainly due to proceeds received from loans used to finance the construction of the Group's Chuzhou factory in June 2017.

**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 Group's operations, which span across 20 manufacturing sites in nine different countries, face challenges in the form of negative market sentiments surrounding the trade war, continued increases in wages, as well as pricing pressure from customers. Given the Group's global footprint, foreign exchange volatility and rising input costs present additional headwinds.

Despite the challenges, the Group remains focused on building the long-term stability of its operations. In this light, the Group continues to sharpen its competitive edge by investing into technology and new machinery to stay ahead of the curve in an ever-changing business environment.

As a result of its leading technological capabilities and global manufacturing footprint, the Group has seen an increasing amount of business queries from both new and existing customers who are confident in the Group's technological prowess and ability to handle global projects. As such, the Group's order backlog across the Automotive, Healthcare, Consumer/IT and Mould Fabrication segments remains stable. Within the Consumer/IT segment, the Group has made the strategic decision to shift from lower-margin projects to focus on high-margin, complex precision engineering parts.

The Group's latest manufacturing site in Penang, Malaysia is now fully operational. The Group is progressively adding capacity to this facility with new contract wins from both new and existing customers.

Similarly, the Group is gradually shifting operations and machinery from its facilities in Shanghai to its 50,000 square meter facility in Chuzhou. The Group will continue its proactive approach to optimising resources across its global manufacturing locations.

As announced via SGXNet on 25 April 2018, the Group has appointed Knight Frank (Shanghai) Property Consultants Limited as its exclusive brokerage team to execute the sale process for its factory in Zhongshan, China. At present, this sale process is still ongoing. Shareholders will be updated on any material developments regarding the potential disposal of the factory in accordance with SGX listing rules.

Heading into the remainder of the year, the Group is vigilant of the continued headwinds such as foreign exchange volatility and an increasingly competitive business landscape. While the Group has substantial operations outside of China, the Group continues to monitor the ongoing trade war situation closely. Looking ahead, the Group remains confident in its resilient business model as the long-term sustainability and profitability of operations remain on track.



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

Any dividend recommended for the current financial period reported on? **Yes**

Name of Dividend: Ordinary  
 Dividend Type: Interim  
 Dividend Amount per Share (in cents): 3.0 cents per ordinary share  
 Tax rate: Tax exempt one-tier

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend: Ordinary  
 Dividend Type: Interim  
 Dividend Amount per Share (in cents): 2.5 cents per ordinary share  
 Tax rate: Tax exempt one-tier

**(c) Date payable**

12 September 2018

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 28 August 2018 for the purpose of determining Members' entitlements to the Interim Dividend.

Duly completed registrable transfer of shares in the Company (the "Shares") received up to the close of business at 5.00 p.m. on 27 August 2018 by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, will be registered to determine members' entitlements to such Dividend. Subject to the aforesaid, Members whose Securities Accounts with The Central Depository (Pte) Ltd are credited with the Shares as at 5.00 p.m. on 27 August 2018 will be entitled to such Dividend. The Dividend will be paid on 12 September 2018.

**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.**

Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
2Q2018	2Q2018

There is no IPTs for the period under review

**BY ORDER OF THE BOARD**

**KHOO BOO HOR**  
 Executive Director &  
 Chief Executive Officer

8 August 2018

**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 2018 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).