



Financial Statement Announcement for the Second Quarter Ended 30 June 2010

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) (i) An income statement (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 2010. These figures have not been audited or reviewed.

(In Singapore dollars)	Apr-Jun 2010 \$'000	Apr-Jun 2009 \$'000	+ / (-) %	Jan-Jun 2010 \$'000	Jan-Jun 2009 \$'000	+ / (-) %
Revenue	104,464	92,294	13.2	204,747	166,695	22.8
Cost of sales	(88,005)	(79,287)	11.0	(173,052)	(145,463)	19.0
Gross Profit	16,459	13,007	26.5	31,695	21,232	49.3
Other items of income						
Interest income	37	20	85.0	68	48	41.7
Other income	577	536	7.6	1,329	2,651	(49.9)
Other items of expense						
Marketing and distribution	(2,634)	(2,391)	10.2	(5,152)	(4,395)	17.2
Administrative expenses	(6,626)	(7,388)	(10.3)	(13,055)	(12,747)	2.4
Other expenses	(1,256)	(1,810)	(30.6)	(2,468)	(1,915)	28.9
Finance costs	(587)	(1,033)	(43.2)	(1,220)	(2,089)	(41.6)
Profit before tax from continuing operations	5,970	941	n.m.	11,197	2,785	n.m.
Income tax expense	(1,582)	(743)	n.m.	(2,791)	(910)	n.m.
Profit from continuing operations, net of tax	4,388	198	n.m.	8,406	1,875	n.m.
Profit attributable to:						
Owners of the parent	4,388	198	n.m.	8,406	1,875	n.m.

Consolidated Statement of comprehensive income for the second quarter ended 30 June 2010. These figures have not been audited or reviewed.

Profit net of tax	4,388	198	n.m.	8,406	1,875	n.m.
Other comprehensive income:						
Foreign currency translation	(2,223)	(6,515)	(65.9)	(1,318)	631	n.m.
Other comprehensive income for the period, net of tax	(2,223)	(6,515)	(65.9)	(1,318)	631	n.m.
Total comprehensive income for the period	2,165	(6,317)	n.m.	7,088	2,506	n.m.
Total comprehensive income attributable to:						
Owners of the parent	2,165	(6,317)	n.m.	7,088	2,506	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 income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

Profit from operations before taxation is stated after charging (crediting):

	Apr-Jun 2010 \$'000	Apr-Jun 2009 \$'000	+ / (-) %	Jan-Jun 2010 \$'000	Jan-Jun 2009 \$'000	+ / (-) %
Depreciation of property, plant and equipment	6,299	6,675	(5.6)	12,848	13,403	(4.1)
Impairment allowance for doubtful debts	90	1,168	(92.3)	110	965	(88.6)
(Write-back)/Impairment for inventories obsolescence/foreseeable losses	(153)	621	n.m.	(170)	851	n.m.
Foreign exchange loss	1,075	1,756	(38.8)	1,669	160	n.m.
Write-back impairment allowance for property, plant and equipment	(22)	-	n.m.	(22)	-	n.m.
Property, plant and equipment written off	23	2	n.m.	520	5	n.m.
Gain on disposal of property, plant and equipment	(45)	(1)	n.m.	(199)	(13)	n.m.

1(b)(i) A balance sheet (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		
	30.06.2010 \$'000	31.12.2009 \$'000	+ / (-) %	30.06.2010 \$'000	31.12.2009 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	155,068	163,708	(5.3)	9,001	9,565	(5.9)
Investment properties	731	744	(1.7)	-	-	n.m.
Intangible assets	29,964	29,964	-	-	-	n.m.
Other investments	1	1	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	227,706	227,706	-
Deferred tax assets	690	775	(11.0)	-	-	n.m.
	<u>186,454</u>	<u>195,192</u>	<u>(4.5)</u>	<u>236,707</u>	<u>237,271</u>	<u>(0.2)</u>
Current assets						
Inventories	59,325	56,801	4.4	4,552	4,284	6.3
Trade and other receivables	84,401	87,012	(3.0)	31,423	28,667	9.6
Prepayments	2,360	2,074	13.8	186	143	30.1
Cash and short term deposits	72,018	68,284	5.5	15,411	8,208	87.8
	<u>218,104</u>	<u>214,171</u>	<u>1.8</u>	<u>51,572</u>	<u>41,302</u>	<u>24.9</u>
Less: Current liabilities						
Trade and other payables	79,698	78,411	1.6	38,967	29,671	31.3
Loans and borrowings	51,399	57,674	(10.9)	13,795	18,105	(23.8)
Tax payable	10,440	12,013	(13.1)	124	118	5.1
	<u>141,537</u>	<u>148,098</u>	<u>(4.4)</u>	<u>52,886</u>	<u>47,894</u>	<u>10.4</u>
Net current assets/(liabilities)	76,567	66,073	15.9	(1,314)	(6,592)	(80.1)
Less: Non-current liabilities						
Loans and borrowings	10,952	13,855	(21.0)	2,674	3,315	(19.3)
Deferred tax liabilities	3,315	3,285	0.9	626	627	(0.2)
	<u>14,267</u>	<u>17,140</u>	<u>(16.8)</u>	<u>3,300</u>	<u>3,942</u>	<u>(16.3)</u>
Net assets	248,754	244,125	1.9	232,093	226,737	2.4
Equity attributable to equity holders of the Company						
Share capital	269,787	268,243	0.6	269,787	268,243	0.6
Reserves	(21,033)	(24,118)	(12.8)	(37,694)	(41,506)	(9.2)
Total equity	248,754	244,125	1.9	232,093	226,737	2.4

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

Amount repayable in one year or less, or on demand

As at 30.06.2010		As at 31.12.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,864	48,535	2,898	54,776

Amount repayable after one year

As at 30.06.2010		As at 31.12.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	10,952	-	13,855

Details of any collateral

Collateral for secured borrowings is as following:

- Sunningdale Plastic Technology (Tianjin) Co Ltd's loan of S\$1.7 mil (31.12.2009: S\$1.7mil) is secured by cash and bank balances of the same amount of another subsidiary company.
- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$1.2 mil (31.12.2009: S\$1.2mil) is secured by cash and bank balances of the same amount of another subsidiary company.

Certain borrowings of the subsidiaries were secured by corporate guarantee of the Company and have been disclosed as unsecured.

1(c) A cash flow statement (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 2010

(In Singapore dollars)	Apr-Jun 2010 \$'000	Apr-Jun 2009 \$'000	Jan-Jun 2010 \$'000	Jan-Jun 2009 \$'000
Cash flows from operating activities:				
Profit from operations before taxation	5,970	941	11,197	2,785
Adjustments for:				
Depreciation of property, plant and equipment	6,299	6,675	12,848	13,403
Gain on disposal of property, plant and equipment	(45)	(1)	(199)	(13)
Property, plant and equipment written off	23	2	520	5
Write-back impairment allowance for property, plant and equipment	(22)	-	(22)	-
Impairment allowance for doubtful debts	90	1,168	110	965
(Write-back)/Impairment for inventories obsolescence/foreseeable losses	(153)	621	(170)	851
Employee share award expenses	236	207	505	333
Interest expense	587	1,033	1,220	2,089
Interest income	(37)	(20)	(68)	(48)
Currency realignment	(582)	(1,704)	(766)	167
Operating profit before reinvestment in working capital	12,366	8,922	25,175	20,537
(Increase)/Decrease in inventories	(4,035)	4,507	(2,354)	7,488
(Increase)/Decrease in trade and other receivables	(1,482)	(7,181)	2,501	6,333
(Increase)/Decrease in prepayments	(289)	381	(286)	393
Increase in trade and other payables	14,205	12,003	1,287	592
Cash generated from operations	20,765	18,632	26,323	35,343
Interest paid	(587)	(1,033)	(1,220)	(2,089)
Interest received	37	20	68	48
Income tax paid	(2,865)	(193)	(4,151)	(611)
Net cash from operating activities	17,350	17,426	21,020	32,691
Cash flows from investing activities:				
Purchase of property, plant and equipment	(3,726)	(5,046)	(4,830)	(10,081)
Net proceeds from disposal of property, plant and equipment	91	32	251	45
Net cash used in investing activities	(3,635)	(5,014)	(4,579)	(10,036)
Cash flows from financing activities:				
Proceeds from loans and borrowings	-	109	-	814
Repayment of loans and borrowings	(5,663)	(2,044)	(9,281)	(4,343)
Dividends paid to shareholders	(2,964)	-	(2,964)	-
Net cash used in financing activities	(8,627)	(1,935)	(12,245)	(3,529)
Net increase in cash and cash equivalents	5,088	10,477	4,196	19,126
Cash and cash equivalents at beginning of period	64,655	48,311	65,386	38,662
Effects of exchange rate changes on opening cash and cash equivalent	(589)	(931)	(428)	69
Cash and cash equivalents at end of period	69,154	57,857	69,154	57,857
Note:				
	30.06.2010	31.12.2009	30.06.2009	31.12.2008
Cash & cash at bank	72,018	68,284	60,839	41,890
Less: Bank overdraft	-	-	-	(267)
Less: Bank balances pledged	(2,864)	(2,898)	(2,982)	(2,961)
Cash & cash equivalents	<u>69,154</u>	<u>65,386</u>	<u>57,857</u>	<u>38,662</u>
	31.03.2010	31.03.2009		
Cash & cash at bank	67,553	51,398		
Less: Bank balances pledged	(2,898)	(3,087)		
Cash & cash equivalents	<u>64,655</u>	<u>48,311</u>		

- 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 2010

(In Singapore dollars)

Group	Attributable to owners of the parent				
	Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Other Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 01.01.2009	265,146	(37,178)	232	9,532	237,732
Total comprehensive income for the period	-	1,677	6,992	154	8,823
Grant of equity-settled share awards to employees	-	-	-	126	126
Issue of share under share awards	3,009	-	-	(3,009)	-
Balance at 31.03.2009	268,155	(35,501)	7,224	6,803	246,681
Total comprehensive income for the period	-	198	(6,384)	(131)	(6,317)
Grant of equity-settled share awards to employees	-	-	-	207	207
Transfer from statutory reserve	-	(308)	-	308	-
Balance at 30.06.2009	268,155	(35,611)	840	7,187	240,571
Balance at 01.01.2010	268,243	(27,089)	(4,623)	7,594	244,125
Total comprehensive income for the period	-	4,018	905	-	4,923
Grant of equity-settled share awards to employees	-	-	-	269	269
Balance at 31.03.2010	268,243	(23,071)	(3,718)	7,863	249,317
Total comprehensive income for the period	-	4,388	(2,178)	(45)	2,165
Grant of equity-settled share awards to employees	-	-	-	236	236
Issue of share under share awards	1,544	-	-	(1,544)	-
Transfer from statutory reserve	-	(64)	-	64	-
Dividends Paid	-	(2,964)	-	-	(2,964)
Balance at 30.06.2010	269,787	(21,711)	(5,896)	6,574	248,754
Company	Share Capital	Retained Earnings	Other Reserve	Total	
	\$'000	\$'000	\$'000	\$'000	
Balance at 01.01.2009	265,146	(50,394)	4,341	219,093	
Total comprehensive income for the period	-	(321)	-	(321)	
Grant of equity-settled share awards to employees	-	-	126	126	
Issue of share under share awards	3,009	-	(3,009)	-	
Balance at 31.03.2009	268,155	(50,715)	1,458	218,898	
Total comprehensive income for the period	-	991	-	991	
Grant of equity-settled share awards to employees	-	-	207	207	
Balance at 30.06.2009	268,155	(49,724)	1,665	220,096	
Balance at 01.01.2010	268,243	(43,496)	1,990	226,737	
Total comprehensive income for the period	-	81	-	81	
Grant of equity-settled share awards to employees	-	-	269	269	
Balance at 31.03.2010	268,243	(43,415)	2,259	227,087	
Total comprehensive income for the period	-	7,734	-	7,734	
Grant of equity-settled share awards to employees	-	-	236	236	
Issue of share under share awards	1,544	-	(1,544)	-	
Dividends paid	-	(2,964)	-	(2,964)	
Balance at 30.06.2010	269,787	(38,645)	951	232,093	

- 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 31.12.2008	735,642,643
Issue of shares to employees under STL RSP in January 2009	4,624,000
Issue of shares to employees under STL RSP in March 2009	518,000
Issue of shares to employees under STL RSP in October 2009	295,000
Issue of shares to employees under STL RSP in June 2010	4,083,500
Balance as at 31.12.2009 and 30.06.2010	745,163,143

As at 30.06.2010, the share capital of the Company comprised 745,163,143 ordinary shares. The company does not have treasury shares.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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 31.12.2009 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2010.

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			
	2nd Qtr 10	2nd Qtr 09	1st Half 10	1st Half 09
Earnings per ordinary share (EPS) for the period based on net profit attributable to shareholders				
(a) on weighted average number of ordinary shares (cents)	0.59	0.03	1.13	0.25
(b) on a fully diluted basis (cents)	0.58	0.03	1.11	0.25

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 741,528,379 and 741,305,251 (2Q09: 740,784,643, 1H09: 740,280,610) for the 2nd quarter ended 30.06.2010 and half year ended 30.06.2010.

Earnings per ordinary share 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 30.06.2010. The adjusted weighted average number of ordinary shares applicable to diluted earnings per shares is 759,214,344 and 759,215,238 (2Q09: 753,205,703, 1H09: 753,353,160) for 2nd quarter ended 30.06.2010 and half year ended 30.06.2010.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 30.06.10	At 31.12.09	At 30.06.10	At 31.12.09
Net asset value per ordinary share based on existing issued share capital as at the end of period (cents)	33.38	32.94	31.15	30.60

Net tangible asset value per ordinary share	Group		Company	
	At 30.06.10	At 31.12.09	At 30.06.10	At 31.12.09
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (cents)	29.36	28.90	31.15	30.60

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, including (where applicable) seasonal or cyclical factors. It must also discuss 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 2010 ("2Q10")

The Group's revenue increased 13.2% from \$92.3 million in 2Q09 to \$104.5 million in 2Q10. The increase mainly came from component parts revenue from all business segments.

During the period, gross profit increased by 26.5% from \$13.0 million in 2Q09 to \$16.5 million in 2Q10. Gross margin for 2Q10 was higher at 15.8% compared to 14.1% in 2Q09. This was in line with the increase in revenue.

Increase in marketing and distribution costs was due to an increase in marketing activities which was in line with the increase in orders. Administrative expenses were 10.3% lower in 2Q10 at \$6.6 million compared to \$7.4 million in 2Q09. This was due to an impairment allowance for doubtful debts of \$1.2 million in 2Q09.

Decrease in other expenses in 2Q10 by 30.6% mainly due to lower foreign exchange loss incurred in 2Q10 as compared to 2Q09.

The Group recorded a net profit of \$4.4 million for 2Q10 compared to \$0.2 million in 2Q09. This included a foreign exchange loss of \$1.1 million (2Q09: \$1.8 million). Excluding the foreign exchange loss, the net profit would have been \$5.5 million in 2Q10 as compared to \$2.0 million in 2Q09.

CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment were at \$155.1 million as at 30 June 2010 compared to \$163.7 million as at 31 December 2009. During the period, the Group had incurred \$4.8 million in capital expenditure while incurring a depreciation charge of \$12.8 million (1H09: \$13.4 million).

Decreases in trade and other receivables as management continues to focus on collections.

Increases in inventories and trade and other payables were in line with the increase in orders.

Overall bank borrowings decreased to \$62.3 million as at 30 June 2010 from \$71.5 million as at 31 December 2009 due to repayment of some loans.

The Group maintained a cash balance of \$72.0 million as at 30 June 2010 (31 December 2009: \$68.3 million) and at a net cash position of about \$9.7 million.

CONSOLIDATED CASHFLOW STATEMENT

April-June 2010 ("2Q10")

Net cash generated from operating activities was \$17.4 million for 2Q10 (2Q09: \$17.4 million). Net cash used in investing activities was \$3.6 million for 2Q10 compared to \$5.0 million in 2Q09 due to capital expenditure incurred. Net cash used in financing activities for 2Q10 was \$8.6 million compared to \$1.9 million in 2Q09 due to repayment of some loans.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the

Not Applicable.

10 A commentary at the date of the announcement of the 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

We remain cautiously optimistic with the outlook for 2H 2010. The business environment remains extremely challenging due to several external factors. The fast rising labour cost in China, rising cost trend of materials, the weakening of the US Dollar and Euro against our costs denominated primarily in Singapore Dollar, Malaysia ringgit and the Chinese Renminbi contribute to pressure on margins.

We expect orders for the Automotive business segment to stabilize after several quarters of volatility due to the North American Auto Industry crisis and inventories adjustment undertaken by customers. The consumer/IT segment continues to remain steady and tracking nicely. The Healthcare business segment is tracking nicely per expectation, and we managed to start shipping parts per plan from our new facility in Johor, Malaysia. The program in China was delayed, however, it was more than compensated by other programs that put the overall business on an even keel. Our tooling facilities remain busy with healthy backlogs.

Management will continue to capitalize on the global economic recovery and focus on driving business fundamentals.

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/recommendeded, a statement to that effect

Not Applicable

BY ORDER OF THE BOARD

KHOO BOO HOR

**Executive Director &
Chief Executive Officer**

6 August 2010

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 2010 financial results 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