

Financial Statement Announcement for the First Quarter Ended 31 March 2011

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 first quarter ended 31 March 2011. These figures have not been audited or reviewed.

(In Singapore dollars)	Jan-Mar 2011 \$'000	Jan-Mar 2010 \$'000	+ / (-) %
Revenue	94,866	100,283	(5.4)
Cost of sales	(82,063)	(85,047)	(3.5)
Gross Profit	12,803	15,236	(16.0)
Other items of income			
Interest income	39	31	25.8
Other income	885	752	17.7
Other items of expense			
Marketing and distribution	(2,198)	(2,518)	(12.7)
Administrative expenses	(6,531)	(6,429)	1.6
Other expenses	(1,661)	(1,212)	37.0
Finance costs	(427)	(633)	(32.5)
Profit before tax from continuing operations	2,910	5,227	(44.3)
Income tax expense	(891)	(1,209)	(26.3)
Profit from continuing operations, net of tax	2,019	4,018	(49.8)
Profit attributable to:			
Owners of the parent	2,019	4,018	(49.8)

Consolidated Statement of comprehensive income for the first quarter ended 31 March 2011. These figures have not been audited or reviewed.

Profit net of tax	2,019	4,018	(49.8)
Other comprehensive income:			
Foreign currency translation	(3,358)	905	n.m.
Other comprehensive income for the period, net of tax	(3,358)	905	n.m.
Total comprehensive income for the period	(1,339)	4,923	n.m.
Total comprehensive income attributable to:			
Owners of the parent	(1,339)	4,923	n.m.

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the statement of income 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/(Loss) from operations before taxation is stated after charging (crediting):

	Jan-Mar 2011 \$'000	Jan-Mar 2010 \$'000	+ / (-) %
Depreciation of property, plant and equipment	5,925	6,549	(9.5)
(Write-back)/Impairment allowance for doubtful debts	(121)	20	n.m.
Impairment/(Write-back) for inventories obsolescence/foreseeable losses	398	(17)	n.m.
Foreign exchange loss	1,347	594	n.m.
Property, plant and equipment written off	2	497	(99.6)
Gain on disposal of property, plant and equipment	(24)	(154)	(84.4)

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		
	31.03.2011 \$'000	31.12.2010 \$'000	+ / (-) %	31.03.2011 \$'000	31.12.2010 \$'000	+ / (-) %
Non-current assets						
Property, plant and equipment	150,239	146,301	2.7	8,164	8,393	(2.7)
Investment properties	891	923	(3.5)	-	-	n.m.
Intangible assets ⁽¹⁾	30,568	29,964	2.0	-	-	n.m.
Other investments	1	1	-	-	-	n.m.
Investment in subsidiaries	-	-	n.m.	230,287	227,706	1.1
Deferred tax assets	672	676	(0.6)	-	-	n.m.
Other receivables	-	-	n.m.	533	-	n.m.
	182,371	177,865	2.5	238,984	236,099	1.2
Current assets						
Inventories	62,638	60,797	3.0	6,161	5,439	13.3
Trade and other receivables	75,392	70,910	6.3	38,112	33,088	15.2
Prepayments	2,031	2,335	(13.0)	237	97	n.m.
Cash and short term deposits	71,690	76,743	(6.6)	9,491	12,857	(26.2)
	211,751	210,785	0.5	54,001	51,481	4.9
Less: Current liabilities						
Bank overdrafts	1,871	-	n.m.	-	-	n.m.
Trade and other payables	85,108	74,452	14.3	48,856	42,490	15.0
Loans and borrowings	44,881	46,467	(3.4)	10,706	11,202	(4.4)
Tax payable	6,657	10,187	(34.7)	124	124	-
	138,517	131,106	5.7	59,686	53,816	10.9
Net current assets/(liabilities)	73,234	79,679	(8.1)	(5,685)	(2,335)	143.5
Less: Non-current liabilities						
Loans and borrowings	6,016	7,126	(15.6)	1,711	2,032	(16)
Deferred tax liabilities	3,407	3,120	9.2	627	627	-
	9,423	10,246	(8.0)	2,338	2,659	(12)
Net assets	246,182	247,298	(0.5)	230,961	231,105	(0.1)
Equity attributable to equity holders of the Company						
Share capital	270,068	270,068	-	270,068	270,068	-
Reserves	(23,886)	(22,770)	4.9	(39,107)	(38,963)	0.4
Total equity	246,182	247,298	(0.5)	230,961	231,105	(0.1)

(1) As at 31 March 2011, the goodwill arising from the acquisition of UFE Pte Ltd has been provisionally determined to be S\$0.6mil. The provisional goodwill will be adjusted accordingly following the completion of the Purchase Price Allocation exercise in accordance with FRS 103 (R) Business Combinations.

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

Amount repayable in one year or less, or on demand

As at 31.03.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,413	43,339	1,574	44,893

Amount repayable after one year

As at 31.03.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	6,016	-	7,126

Details of any collateral

Collateral for secured borrowings is as following:

- Sunningdale Innovative Technology (Tianjin) Co Ltd's loan of S\$1.5 mil (31.12.2010: S\$1.6mil) is secured by cash and bank balances of the same amount of another subsidiary company.
- Bank overdraft of S\$1.9mil (31.12.2010: Nil) booked by UFE Pte Ltd is secured by a legal mortgage over the leasehold property.

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

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 2011

(In Singapore dollars)

	Jan-Mar 2011 \$'000	Jan-Mar 2010 \$'000
Cash flows from operating activities:		
Profit before tax from continuing operations	2,910	5,227
Adjustments for:		
Depreciation of property, plant and equipment	5,925	6,549
Gain on disposal of property, plant and equipment	(24)	(154)
Property, plant and equipment written off	2	497
(Write-back)/Impairment allowance for doubtful debts	(121)	20
Impairment/(Write-back) for inventories obsolescence/foreseeable losses	398	(17)
Employee share award expenses	223	269
Interest expense	427	633
Interest income	(39)	(31)
Currency realignment	(232)	(184)
Operating cashflows before changes in working capital	9,469	12,809
Decrease in inventories	111	1,681
(Increase)/Decrease in trade and other receivables	(1,696)	3,983
Decrease in prepayments	308	3
Increase/(Decrease) in trade and other payables	3,605	(12,918)
Cash flows generated from operations	11,797	5,558
Interest paid	(427)	(633)
Interest received	39	31
Income tax paid	(4,020)	(1,286)
Net cash from operating activities	7,389	3,670
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,602)	(1,104)
Net proceeds from disposal of property, plant and equipment	36	160
Acquisition of subsidiary, net of cash acquired	(2,549)	-
Net cash used in investing activities	(8,115)	(944)
Cash flows from financing activities:		
Proceeds from loans and borrowings	6,149	-
Repayment of loans and borrowings	(10,758)	(3,618)
Net cash used in financing activities	(4,609)	(3,618)
Net decrease in cash and cash equivalents	(5,335)	(892)
Cash and cash equivalents at beginning of period	75,169	65,386
Effects of exchange rate changes on opening cash and cash equivalent	(1,557)	161
Cash and cash equivalents at end of period	68,277	64,655

Note:

	31.3.2011	31.12.2010	31.3.2010	31.12.2009
Cash & cash at bank	71,690	76,743	67,553	68,284
Less: Bank overdraft	(1,871)	-	-	-
Less: Bank balances pledged	(1,542)	(1,574)	(2,898)	(2,898)
Cash & cash equivalents	68,277	75,169	64,655	65,386

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 2011

(In Singapore dollars)

Group	Attributable to owners of the parent				Total \$'000
	Share Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Other Reserve \$'000	
Balance at 01.01.2010	268,243	(27,089)	(4,623)	7,594	244,125
Profit from continuing operations, net of tax	-	4,018	-	-	4,018
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	905	-	905
<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	268,243	(23,071)	(3,718)	7,863	249,317
Balance at 31.03.2010	268,243	(23,071)	(3,718)	7,863	249,317
Balance at 01.01.2011	270,068	(17,393)	(12,795)	7,418	247,298
Profit from continuing operations, net of tax	-	2,019	-	-	2,019
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(3,271)	(87)	(3,358)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	223	223
Total transactions with owners in their capacity as owners	270,068	(15,374)	(16,066)	7,554	246,182
Balance at 31.03.2011	270,068	(15,374)	(16,066)	7,554	246,182

Company	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	Total \$'000
Balance at 01.01.2010	268,243	(43,496)	1,990	226,737
Profit from continuing operations, net of tax	-	81	-	81
<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	268,243	(43,415)	2,259	227,087
Balance at 31.03.2010	268,243	(43,415)	2,259	227,087
Balance at 01.01.2011	270,068	(39,949)	986	231,105
Profit from continuing operations, net of tax	-	(367)	-	(367)
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	223	223
Total transactions with owners in their capacity as owners	270,068	(40,316)	1,209	230,961
Balance at 31.03.2011	270,068	(40,316)	1,209	230,961

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 31.12.2010	746,023,143
Issue of shares to employees under STL RSP in January 2011	258,750
Balance as at 31.03.2011	746,281,893

As at 31.03.2011, the share capital of the Company comprised 746,281,893 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 31.12.2010 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 01.01.2011.

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 2011	1st Qtr 2010
Earnings per ordinary share (EPS) for the period based on net profit attributable to shareholders		
(a) on weighted average number of ordinary shares (cents)	0.27	0.54
(b) on a fully diluted basis (cents)	0.26	0.53

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 746,247,393 (1Q10: 741,079,643) for the 1st quarter ended 31.03.2011.

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 31.03.2011. The adjusted weighted average number of ordinary shares applicable to diluted earnings per shares is 765,986,726 (1Q10: 759,216,143) for 1st quarter ended 31.03.2011.

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

	Group		Company	
	At 31.03.11	At 31.12.10	At 31.03.11	At 31.12.10
<u>Net asset value per ordinary share</u>				
Net asset value per ordinary share based on existing issued share capital as at the end of period (cents)	32.99	33.15	30.95	30.98
<u>Net tangible asset value per ordinary share</u>				
Net tangible asset value per ordinary share based on existing issued share capital as at the end of period (cents)	28.89	29.13	30.95	30.98

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

On 5 January 2011, the Group completed its acquisition of UFE Pte Ltd (the "Acquisition").

CONSOLIDATED INCOME STATEMENT

January - March 2011 ("1Q11")

The Group's revenue decreased 5.4% from \$100.3 million in 1Q10 to \$94.9 million in 1Q11. Revenue from the Consumer/IT and Mould Fabrication business segments had declined by 11.8% and 7.9% respectively. This decrease was partially offset by revenue growth of 48.2% in the Healthcare business segment. Revenue from the Automotive business segment was flat, growing marginally by 0.2%.

Traditionally, the 1Q is a weak quarter. The higher revenue in the prior period (1Q10) was unusual due to inventory restocking needs in the post crisis economic recovery.

Contribution to Revenue	1Q11	1Q10
Automotive	26.60%	25.10%
Consumer/IT	38.30%	41.10%
Healthcare	5.80%	3.70%
Mould Fabrication	29.30%	30.00%

During the period, gross profit decreased by 16.0% from \$15.2 million in 1Q10 to \$12.8 million in 1Q11. Gross margin for 1Q11 was lower at 13.5% compared to 15.2% in 1Q10 as a result of lower utilization because of lower orders during the quarter.

Other expenses increased in 1Q11 compared to 1Q10 mainly due to foreign exchange losses. The Group incurred a foreign exchange loss of \$1.3 mil in 1Q11 compared to \$0.6mil in 1Q10.

Interest expense decreased in 1Q11 compared to 1Q10, due to lower interest rates as well as repayment of loans during the quarter.

The Group recorded a net profit of \$2.0 million for 1Q11 compared to \$4.0 million in 1Q10 due to lower revenue and higher foreign exchange loss. Excluding foreign exchange effects, the net profit would have been \$3.4 million in 1Q11 compared to \$4.6 million in 1Q10.

CONSOLIDATED BALANCE SHEET

The Group's property, plant and equipment was at \$150.2 million as at 31 March 2011 compared to \$146.3 million as at 31 December 2010. The increase was due to the acquisition of UFE, construction of a factory in Johor Bahru, Malaysia and purchase of machines & equipment in certain manufacturing plants, net of a depreciation charge of \$5.9 million (1Q10: \$6.5 million) incurred during the period.

Inventory increased by 3.0% from \$60.8 million as at 31 December 2010 to \$62.6 million as at 31 March 2011, Trade and other receivables increased by 6.3% from \$70.9 million as at 31 December 2010 to \$75.4million as at 31 March 2011 and Trade and other payables increased by 14.3% from \$74.5 million as at 31 December 2010 to \$85.1 million as at 31 March 2011. These are largely due to the Acquisition, while the increase in payables is due to the acquisition of plant, property and equipment.

The increased in bank overdrafts was due to the Acquisition.

Loans and borrowings decreased to \$50.9 million as at 31 March 2011 from \$53.6 million as at 31 December 2010 due to repayment of some loans.

The Group maintained a cash balance of \$71.7 million as at 31 March 2011 (31 December 2010: \$76.7 million) resulting in net cash of \$18.9 million (31 December 10: \$23.2 million).

CONSOLIDATED CASHFLOW STATEMENT

January - March 2011 ("1Q11")

Net cash generated from operating activities was \$7.4 million for 1Q11, compared to \$3.7 million for 1Q10. Net cash used in investing activities was \$8.1 million for 1Q11 compared to \$1.0 million in 1Q10 due to payment for the purchase of machines & equipment and the Acquisition. Net cash used in financing activities for 1Q11 was \$4.6 million compared to \$3.6 million in 1Q10 due to more repayment of loans.

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 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

As we expected, 1Q11 revenue was lower than 1Q10 when many customers replenished their inventories after the 2009 downturn.

We began the year with an optimistic but cautious view. However, the rate of US Dollar weakening against our costs, denominated primarily in Singapore Dollar, Malaysian Ringgit and Chinese Renminbi in recent months was much faster than we had anticipated. WTI crude oil rose from around US\$80 a barrel last year to above US\$110 recently, which is at its highest level since 2008. This is unfavourable for our raw materials and logistics costs. The above two external factors have added tremendous pressure on margins.

At this point in time, the Japan tsunami has had an insignificant impact on our orders but we expect it will eventually when the inventories pipeline on the ocean are consumed. It is difficult to quantify at this time but we believe it is manageable.

The Automotive business orders remain strong. Several new projects across the regions are also in the pipeline. We expect to improve our efficiency when we complete the move from Bintan to the new automotive plant in Johor by early 3Q.

The Consumer/IT business remains steady. Orders from our existing customers remain strong. Through our business development effort, we managed to secure new projects from existing and new customers that will go into mass production in 2H this year.

The Healthcare business outlook remains good. We continue to be on track growing our existing customers and developing new customers to expand our customer base. We expect it to be the fastest growing segment for this year.

The Mould Fabrication business remains strong. We completed the acquisition of UFE Pte Ltd and that has expanded our customer base geographically.

The group recently added a new factory in Johor as part of South East Asia's manufacturing expansion because we have outgrown our existing footprint. We expect it to be fully operational by 3Q this year.

Although we expect the business environment to remain very volatile and challenging for the remainder of the year, the management team will remain very focused in managing the dynamic business environment.

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

10 May 2011

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 2011 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