

Financial Statement Announcement for the Second Quarter Ended 30 June 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 second quarter ended 30 June 2011. These figures have not been audited or reviewed.

(In Singapore dollars)	Apr-Jun 2011 \$'000	Apr-Jun 2010 \$'000	+ / (-) %	Jan-Jun 2011 \$'000	Jan-Jun 2010 \$'000	+ / (-) %
<b>Revenue</b>	<b>101,654</b>	<b>104,464</b>	<b>(2.7)</b>	<b>196,520</b>	<b>204,747</b>	<b>(4.0)</b>
Cost of sales	(88,225)	(88,005)	0.2	(170,288)	(173,052)	(1.6)
<b>Gross Profit</b>	<b>13,429</b>	<b>16,459</b>	<b>(18.4)</b>	<b>26,232</b>	<b>31,695</b>	<b>(17.2)</b>
<b>Other items of income</b>						
Interest income	57	37	54.1	96	68	41.2
Other income	510	577	(11.6)	1,395	1,329	5.0
<b>Other items of expense</b>						
Marketing and distribution	(2,161)	(2,634)	(18.0)	(4,359)	(5,152)	(15.4)
Administrative expenses	(6,523)	(6,626)	(1.6)	(13,054)	(13,055)	(0.0)
Other expenses	(1,753)	(1,256)	39.6	(3,414)	(2,468)	38.3
Finance costs	(406)	(587)	(30.8)	(833)	(1,220)	(31.7)
<b>Profit before tax from continuing operations</b>	<b>3,153</b>	<b>5,970</b>	<b>(47.2)</b>	<b>6,063</b>	<b>11,197</b>	<b>(45.9)</b>
Income tax expense	(1,144)	(1,582)	(27.7)	(2,035)	(2,791)	(27.1)
<b>Profit from continuing operations, net of tax</b>	<b>2,009</b>	<b>4,388</b>	<b>(54.2)</b>	<b>4,028</b>	<b>8,406</b>	<b>(52.1)</b>
<b>Profit attributable to:</b>						
Owners of the parent	2,009	4,388	(54.2)	4,028	8,406	(52.1)

Consolidated Statement of comprehensive income for the second quarter ended 30 June 2011. These figures have not been audited or reviewed.

<b>Profit net of tax</b>	2,009	4,388	(54.2)	4,028	8,406	(52.1)
Other comprehensive income:						
Foreign currency translation	(1,978)	(2,223)	(11.0)	(5,336)	(1,318)	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,978)</b>	<b>(2,223)</b>	<b>(11.0)</b>	<b>(5,336)</b>	<b>(1,318)</b>	<b>n.m.</b>
<b>Total comprehensive income for the period</b>	<b>31</b>	<b>2,165</b>	<b>(98.6)</b>	<b>(1,308)</b>	<b>7,088</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	31	2,165	(98.6)	(1,308)	7,088	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 2011 \$'000	Apr-Jun 2010 \$'000	+ / ( - ) %	Jan-Jun 2011 \$'000	Jan-Jun 2010 \$'000	+ / ( - ) %
Depreciation of property, plant and equipment	5,747	6,299	(8.8)	11,672	12,848	(9.2)
(Write-back)/impairment allowance for doubtful debts	(54)	90	n.m.	(175)	110	n.m.
Bad debts write-off	92	-	n.m.	92	-	n.m.
Write-back for inventories obsolescence/foreseeable losses	(463)	(153)	n.m.	(65)	(170)	(61.8)
Foreign exchange loss	1,366	1,075	27.1	2,713	1,669	62.6
Write-back impairment allowance for property, plant and equipment	-	(22)	(100.0)	-	(22)	(100.0)
Property, plant and equipment written off	3	23	(87.0)	5	520	(99.0)
Loss/(Gain) on disposal of property, plant and equipment	12	(45)	n.m.	(12)	(199)	(94.0)

**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		
	30.06.2011 \$'000	31.12.2010 \$'000	+ / (-) %	30.06.2011 \$'000	31.12.2010 \$'000	+ / (-) %
<b>Non-current assets</b>						
Property, plant and equipment	147,893	146,301	1.1	7,860	8,393	(6.4)
Investment properties	873	923	(5.4)	-	-	n.m.
Intangible assets <sup>(1)</sup>	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	658	676	(2.7)	-	-	n.m.
Other receivables	-	-	n.m.	533	-	n.m.
	<b>179,993</b>	<b>177,865</b>	<b>1.2</b>	<b>238,680</b>	<b>236,099</b>	<b>1.1</b>
<b>Current assets</b>						
Inventories	64,373	60,797	5.9	5,145	5,439	(5.4)
Trade and other receivables	74,100	70,910	4.5	37,383	33,088	13.0
Prepayments	2,526	2,335	8.2	275	97	n.m.
Cash and short term deposits	65,598	76,743	(14.5)	7,483	12,857	(41.8)
	<b>206,597</b>	<b>210,785</b>	<b>(2.0)</b>	<b>50,286</b>	<b>51,481</b>	<b>(2.3)</b>
<b>Less: Current liabilities</b>						
Bank overdrafts	1,789	-	n.m.	-	-	n.m.
Trade and other payables	82,753	74,452	11.1	46,624	42,490	9.7
Loans and borrowings	42,857	46,467	(7.8)	10,224	11,202	(8.7)
Tax payable	6,782	10,187	(33.4)	148	124	19.4
	<b>134,181</b>	<b>131,106</b>	<b>2.3</b>	<b>56,996</b>	<b>53,816</b>	<b>5.9</b>
Net current assets/(liabilities)	72,416	79,679	(9.1)	(6,710)	(2,335)	n.m.
<b>Less: Non-current liabilities</b>						
Loans and borrowings	7,076	7,126	(0.7)	1,390	2,032	(31.6)
Deferred tax liabilities	3,374	3,120	8.1	626	627	(0.2)
	<b>10,450</b>	<b>10,246</b>	<b>2.0</b>	<b>2,016</b>	<b>2,659</b>	<b>(24.2)</b>
<b>Net assets</b>	<b>241,959</b>	<b>247,298</b>	<b>(2.2)</b>	<b>229,954</b>	<b>231,105</b>	<b>(0.5)</b>
<b>Equity attributable to equity holders of the Company</b>						
Share capital	270,219	270,068	0.1	270,219	270,068	0.1
Reserves	(28,260)	(22,770)	24.1	(40,265)	(38,963)	3.3
<b>Total equity</b>	<b>241,959</b>	<b>247,298</b>	<b>(2.2)</b>	<b>229,954</b>	<b>231,105</b>	<b>(0.5)</b>

(1) As at 30 June 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 30.06.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,319	41,327	1,574	44,893

**Amount repayable after one year**

As at 30.06.2011		As at 31.12.2010	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	7,076	-	7,126

**Details of any collateral**

Collateral for secured borrowings is as following:

(a) 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.

(b) Bank overdraft of S\$1.8mil (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 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 2011

(In Singapore dollars)	Apr-Jun 2011 \$'000	Apr-Jun 2010 \$'000	Jan-Jun 2011 \$'000	Jan-Jun 2010 \$'000
<b>Cash flows from operating activities:</b>				
Profit from operations before taxation	3,153	5,970	6,063	11,197
Adjustments for:				
Depreciation of property, plant and equipment	5,747	6,299	11,672	12,848
Loss/(Gain) on disposal of property, plant and equipment	12	(45)	(12)	(199)
Property, plant and equipment written off	3	23	5	520
Write-back impairment allowance for property, plant and equipment	-	(22)	-	(22)
(Write-back)/impairment allowance for doubtful debts	(54)	90	(175)	110
Bad debts write-off	92	-	92	-
Write-back for inventories obsolescence/foreseeable losses	(463)	(153)	(65)	(170)
Employee share award expenses	224	236	447	505
Interest expense	406	587	833	1,220
Interest income	(57)	(37)	(96)	(68)
Currency realignment	156	(582)	(76)	(766)
<b>Operating cashflows before changes in working capital</b>	<b>9,219</b>	<b>12,366</b>	<b>18,688</b>	<b>25,175</b>
Increase in inventories	(1,273)	(4,035)	(1,162)	(2,354)
Decrease/(Increase) in trade and other receivables	1,254	(1,482)	(442)	2,501
Increase in prepayments	(495)	(289)	(187)	(286)
(Decrease)/Increase in trade and other payables	(2,412)	14,205	1,193	1,287
<b>Cash flows generated from operations</b>	<b>6,293</b>	<b>20,765</b>	<b>18,090</b>	<b>26,323</b>
Interest paid	(406)	(587)	(833)	(1,220)
Interest received	57	37	96	68
Income tax paid	(806)	(2,865)	(4,826)	(4,151)
<b>Net cash from operating activities</b>	<b>5,138</b>	<b>17,350</b>	<b>12,527</b>	<b>21,020</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	(4,910)	(3,726)	(10,512)	(4,830)
Net proceeds from disposal of property, plant and equipment	-	91	36	251
Acquisition of subsidiary, net of cash acquired	-	-	(2,549)	-
<b>Net cash used in investing activities</b>	<b>(4,910)</b>	<b>(3,635)</b>	<b>(13,025)</b>	<b>(4,579)</b>
<b>Cash flows from financing activities:</b>				
Proceeds from loans and borrowings	2,637	-	8,786	-
Repayment of loans and borrowings	(3,491)	(5,663)	(14,249)	(9,281)
Dividends paid to shareholders	(4,478)	(2,964)	(4,478)	(2,964)
<b>Net cash used in financing activities</b>	<b>(5,332)</b>	<b>(8,627)</b>	<b>(9,941)</b>	<b>(12,245)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,104)</b>	<b>5,088</b>	<b>(10,439)</b>	<b>4,196</b>
Cash and cash equivalents at beginning of period	68,277	64,655	75,169	65,386
Effects of exchange rate changes on opening cash and cash equivalent	(894)	(589)	(2,451)	(428)
<b>Cash and cash equivalents at end of period</b>	<b>62,279</b>	<b>69,154</b>	<b>62,279</b>	<b>69,154</b>
<b>Note:</b>				
	<b>30.06.2011</b>	<b>31.12.2010</b>	<b>30.06.2010</b>	<b>31.12.2009</b>
Cash & cash at bank	65,598	76,743	72,018	68,284
Less: Bank overdraft	(1,789)	-	-	-
Less: Bank balances pledged	(1,530)	(1,574)	(2,864)	(2,898)
Cash & cash equivalents	<u>62,279</u>	<u>75,169</u>	<u>69,154</u>	<u>65,386</u>
	<b>31.3.2011</b>	<b>31.3.2010</b>		
Cash & cash at bank	71,690	67,553		
Less: Bank overdraft	(1,871)	-		
Less: Bank balances pledged	(1,542)	(2,898)		
Cash & cash equivalents	<u>68,277</u>	<u>64,655</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 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	
<b>Balance at 01.01.2010</b>	<b>268,243</b>	<b>(27,089)</b>	<b>(4,623)</b>	<b>7,594</b>	<b>244,125</b>
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
Issue of share under share awards	-	-	-	-	-
Total transactions with owners in their capacity as owners	268,243	(23,071)	(3,718)	7,863	249,317
<b>Balance at 31.03.2010</b>	<b>268,243</b>	<b>(23,071)</b>	<b>(3,718)</b>	<b>7,863</b>	<b>249,317</b>
Profit from continuing operations, net of tax	-	4,388	-	-	4,388
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(2,178)	(45)	(2,223)
<u>Contributions by and distributions to owners</u>					
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)
Total transactions with owners in their capacity as owners	269,787	(21,711)	(5,896)	6,574	248,754
<b>Balance at 30.06.2010</b>	<b>269,787</b>	<b>(21,711)</b>	<b>(5,896)</b>	<b>6,574</b>	<b>248,754</b>
<b>Balance at 01.01.2011</b>	<b>270,068</b>	<b>(17,393)</b>	<b>(12,795)</b>	<b>7,418</b>	<b>247,298</b>
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
Issue of share under share awards	151	-	-	(151)	-
Total transactions with owners in their capacity as owners	270,219	(15,374)	(16,066)	7,403	246,182
<b>Balance at 31.03.2011</b>	<b>270,219</b>	<b>(15,374)</b>	<b>(16,066)</b>	<b>7,403</b>	<b>246,182</b>
Profit from continuing operations, net of tax	-	2,009	-	-	2,009
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	(1,945)	(33)	(1,978)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share awards to employees	-	-	-	224	224
Issue of share under share awards	-	-	-	-	-
Transfer from statutory reserve	-	1	-	(1)	-
Dividends Paid	-	(4,478)	-	-	(4,478)
Total transactions with owners in their capacity as owners	270,219	(17,842)	(18,011)	7,593	241,959
<b>Balance at 30.06.2011</b>	<b>270,219</b>	<b>(17,842)</b>	<b>(18,011)</b>	<b>7,593</b>	<b>241,959</b>
<b>Company</b>	<b>Share Capital \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Other Reserve \$'000</b>	<b>Total \$'000</b>	
<b>Balance at 01.01.2010</b>	<b>268,243</b>	<b>(43,496)</b>	<b>1,990</b>	<b>226,737</b>	
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	
<b>Balance at 31.03.2010</b>	<b>268,243</b>	<b>(43,415)</b>	<b>2,259</b>	<b>227,087</b>	
Profit from continuing operations, net of tax	-	7,734	-	7,734	
<u>Contributions by and distributions to owners</u>					
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)	
Total transactions with owners in their capacity as owners	269,787	(38,645)	951	232,093	
<b>Balance at 30.06.2010</b>	<b>269,787</b>	<b>(38,645)</b>	<b>951</b>	<b>232,093</b>	

Company	Share Capital \$'000	Retained Earnings \$'000	Other Reserve \$'000	Total \$'000
<b>Balance at 01.01.2011</b>	<b>270,068</b>	<b>(39,949)</b>	<b>986</b>	<b>231,105</b>
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
Issue of share under share awards	151	-	(151)	
Total transactions with owners in their capacity as owners	270,219	(40,316)	1,058	230,961
<b>Balance at 31.03.2011</b>	<b>270,219</b>	<b>(40,316)</b>	<b>1,058</b>	<b>230,961</b>
Profit from continuing operations, net of tax	-	3,247	-	3,247
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share awards to employees	-	-	224	224
Issue of share under share awards	-	-	-	-
Dividends paid	-	(4,478)	-	(4,478)
Total transactions with owners in their capacity as owners	270,219	(41,547)	1,282	229,954
<b>Balance at 30.06.2011</b>	<b>270,219</b>	<b>(41,547)</b>	<b>1,282</b>	<b>229,954</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
<b>Balance as at 31.12.2010</b>	746,023,143
Issue of shares to employees under STL RSP in January 2011	258,750
<b>Balance as at 30.06.2011</b>	<b>746,281,893</b>

As at 30.06.2011, 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			
	2nd Qtr 11	2nd Qtr 10	1st Half 11	1st Half 10
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	0.59	0.54	1.13
(b) on a fully diluted basis (cents)	0.26	0.58	0.53	1.11

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 746,281,893 and 746,264,738 (2Q10: 741,528,379, 1H10: 741,305,251) for the 2nd quarter ended 30.06.2011 and half year ended 30.06.2011.

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 30.06.2011. The adjusted weighted average number of ordinary shares applicable to diluted earnings per shares is 766,038,393 and 766,012,702 (2Q10: 759,214,344, 1H10: 759,215,238) for 2nd quarter ended 30.06.2011 and half year ended 30.06.2011.

**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 30.06.11	At 31.12.10	At 30.06.11	At 31.12.10
Net asset value per ordinary share				
Net asset value per ordinary share based on existing issued share capital as at the end of period (cents)	32.42	33.15	30.81	30.98

  

	Group		Company	
	At 30.06.11	At 31.12.10	At 30.06.11	At 31.12.10
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 (cents)	28.33	29.13	30.81	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**

**CONSOLIDATED INCOME STATEMENT**

**April - June 2011 ("2Q11")**

The Group's revenue decreased 2.7% from \$104.5 million in 2Q10 to \$101.7 million in 2Q11. Revenue from the Automotive and Consumer/IT business segments had declined by 9.2% and 19.3% respectively. This decrease was partially offset by revenue growth in the Healthcare and Mould Fabrication business segments.

The decrease was mainly due to delays in projects being launched and shortage of electronic parts due to the earthquake in Japan, which affected the demand of certain end customers.

The weakening of the US Dollar and Euro also contributed to the decline. The Group's revenue is primarily denominated in US Dollars and the further depreciation of the US Dollar and Euro against the Singapore Dollar in 2Q11 as compared to 2Q10, reduced revenue in Singapore Dollars by an estimated S\$2.4 million.

Contribution to Revenue	2Q11	2Q10
Automotive	24%	26%
Consumer/IT	41%	49%
Healthcare	6%	4%
Mould Fabrication	29%	21%

During the period, gross profit decreased by 18.4% from \$16.5 million in 2Q10 to \$13.4 million in 2Q11. Gross margin for 2Q11 was lower at 13.2% as compared to 15.8% in 2Q10 as a result of lower utilization because of lower orders during the quarter and the weakening of the US Dollar.

Other expenses increased in 2Q11 compared to 2Q10 mainly due to foreign exchange losses. The Group incurred a foreign exchange loss of \$1.4 million in 2Q11 as compared to \$1.1million in 2Q10.

Interest expense decreased in 2Q11 compared to 2Q10, 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 2Q11 compared to \$4.4 million in 2Q10 due to lower revenue and higher foreign exchange losses.

**CONSOLIDATED BALANCE SHEET**

The Group's property, plant and equipment was at \$147.9 million as at 30 June 2011 as compared to \$146.3 million as at 31 December 2010. The increase was due to the acquisition of UFE ("Acquisition"), construction of a factory in Johor Bahru, Malaysia and purchase of machines and equipments in certain manufacturing plants, net of a depreciation charge of \$11.7 million (1H10: \$12.8 million) incurred during the period.

Inventory increased by 5.9% from \$60.8 million as at 31 December 2010 to \$64.4 million as at 30 June 2011, Trade and other receivables increased by 4.5% from \$70.9 million as at 31 December 2010 to \$74.1million as at 30 June 2011 and Trade and other payables increased by 11.1% from \$74.5 million as at 31 December 2010 to \$82.8 million as at 30 June 2011. These are largely due to the Acquisition, while the increase in payables is due to the acquisition of plant, property and equipment.

The increase in bank overdrafts was due to the Acquisition.

Loans and borrowings decreased to \$49.9 million as at 30 June 2011 from \$53.6 million as at 31 December 2010 due to repayment of some loans.

The Group maintained a cash balance of \$65.6 million as at 30 June 2011 (31 December 2010: \$76.7 million) resulting in net cash of \$13.9 million (31 December 2010: \$23.2 million).

## CONSOLIDATED CASHFLOW STATEMENT

### April - June 2011 ("2Q11")

Net cash generated from operating activities was \$5.1 million for 2Q11, compared to \$17.4 million for 2Q10. Net cash used in investing activities was \$4.9 million for 2Q11 compared to \$3.7 million in 2Q10 due to payment for the purchase of machines & equipments. Net cash used in financing activities for 2Q11 was \$5.3 million compared to \$8.6 million in 2Q10 due to payment of dividends and repayment of loans which partially offset by proceeds from loans and borrowings resulted from the payment of the property, plant and equipment.

### 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, 1H11 revenue was lower than 1H10 when many customers replenished their inventories after the 2009 downturn. In a way, the traditional demand cycle was disrupted.

Little has changed in the challenging business environment over the last quarter. Factors that have added tremendous pressures on margins include the further weakening of the US Dollar to record lows against our operating costs denominated primarily in Singapore Dollar, Malaysian Ringgit and Chinese Renminbi, high oil prices which were unfavourable for our raw materials, a rapid increase in labour costs especially in China and pricing pressures from customers.

Orders for Automotive business were stable. In Consumer/IT business, some projects were delayed by customers and mass production will only start in 2H11. The Healthcare business which we expect to be the fastest growth segment remains on track. The Mould Fabrication business also remains steady and strong. The newly added factory in Johor as part of South East Asia's manufacturing expansion is on track and will be fully operational by 3Q this year.

The Group recently announced that it had entered into an agreement to acquire two factories in Sweden and Latvia. Upon completion, the presence in Europe will extend the Group's global footprint and also expand our customer base.

We expect the business environment will remain very volatile and uncertain for the rest of the year especially with the recent fears of another global economic downturn. The management will remain vigilant.

### 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

### BY ORDER OF THE BOARD

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

12 August 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 second 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