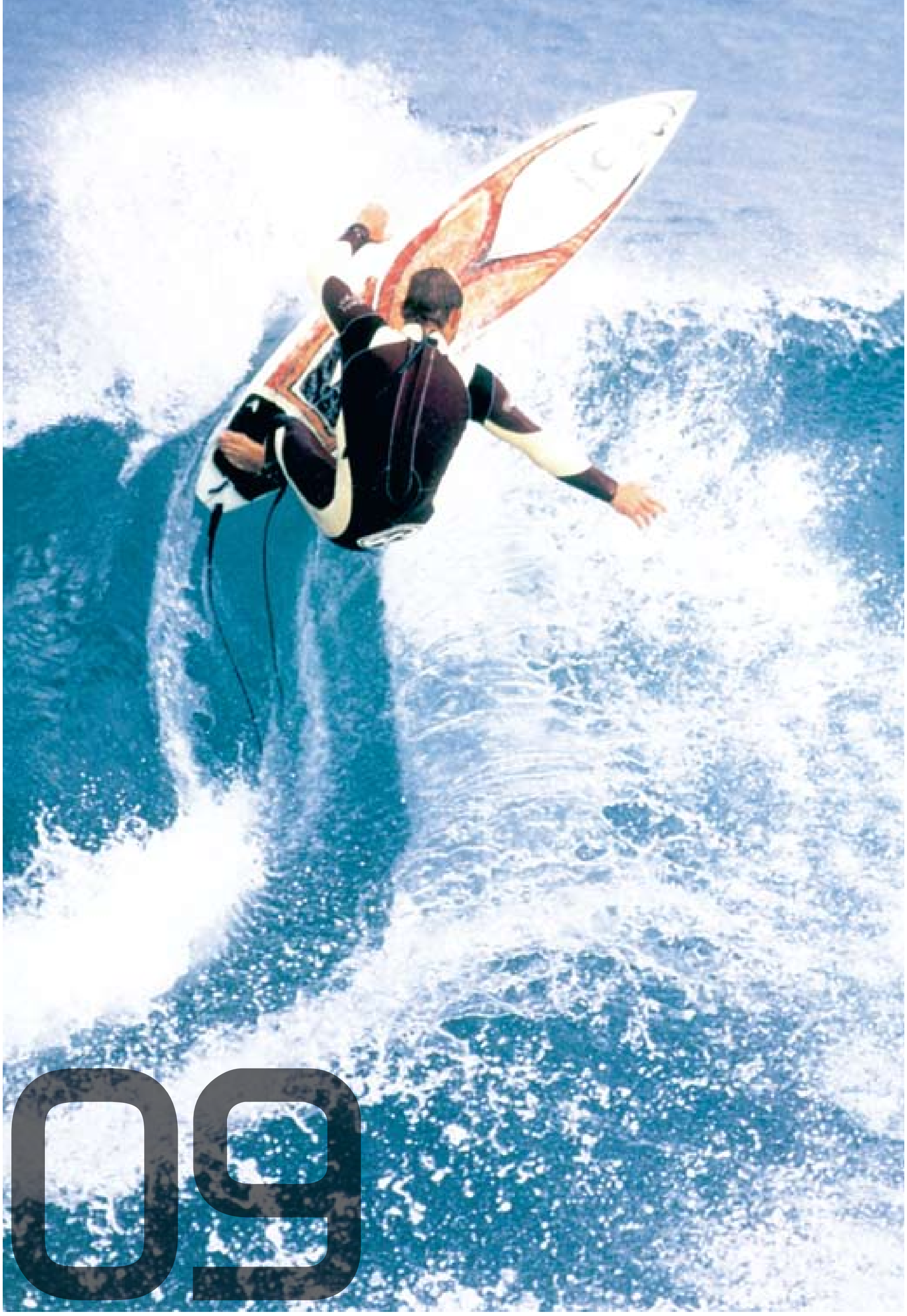


2009

SOARING NEW HEIGHT

SUNNINGDALE TECH LTD ANNUAL REPORT 2009

Vision

To be recognised as a leading Asian tooling, plastics injection moulding with decorative finishing processes and precision assembly company supplying to the Global market.

Contents

5 Pillars of Excellence

- On-time delivery for both external and internal customers
- Pro-quality mindset to the extent of doing right the first time, every time with no rework
- Waste reduction attitude in time, cost, manpower and other resources
- Continuous improvement culture through new work processes and new technologies
- Strong teamwork and co-operation spirit among workers, sections, departments, locations and organisations

2009

ANNUAL REPORT

Dear Shareholders,

2009 was a challenging year. The global economic and financial crisis caused the banks and financial institutions worldwide to tighten credit in the early part of the year, creating liquidity issues for many companies. The real economy was impacted and consumer demand dropped dramatically, especially for big ticket items like automobiles. Companies across the region responded with drastic measures, including shortened work week, pay-cuts, retrenchment and, worse, factory closures. Visibility of orders, so essential for planning, all but evaporated. Governments all over the world implemented stimulus packages to help companies and individuals through this tough period.

The Group was not spared from the crisis. We experienced a slow down of customers' orders and a shorter forecast window was given by customers in the first quarter of the year. This was especially acute in the automotive industry. The Group has been focusing on cash management over the last few years, and this was even more important in 2009. But the crisis also created opportunities for the Group as some projects were transferred from competitors who were not able to operate because of a lack of financing. Also, when new projects were being awarded, the strength of the supplier's financial position suddenly became an important factor, and this also helped us. The Group would like to express our thanks to our bankers for their support through this crisis and in their continuing support. In fact, while 2009 was a really tough year, we are one of the few companies in our industry that ended with growth over 2008.

Financial Performance

The Group recorded a revenue of $373.7 million in FY09, a 2.4% increase from $365.0 million in FY08. Except for the Automotive business segment, contribution from all other business segments increased.

Gross profit also increased significantly from $43.7million in FY08 to $57.1million in FY09, a growth of 30.7%. Gross margin for FY09 was also higher at 15.3% compared to 12.0% in FY08 due to better utilization because of increased production volumes, as well as the savings from consolidating our plants, and the cost cutting measures that were put in place over the year.

The Group maintained a healthy cash balance of $68.3 million as at 31 December 2009 with net debt of $3.2 million as compared to S$41.9 million in 31 December 2008 with net debt of $46.3 million. In a tough year like 2009, we generated operating cash flow of $60.9million, to reduce our net debt by $43.1 million, without sacrificing our top line.

Dividends

On behalf of the board, it is our pleasure to announce that a final dividend of 0.4 cents per ordinary share has been recommended by the Board. This is subject to approval at the forthcoming Annual General Meeting.

Business Outlook

The Group will add resources to further strengthen our global business development effort. We intend to continue to focus on operational excellence, on cash flow management and to build capabilities for competitive advantage. Each quarter since the first quarter of FY09 has seen an improving trend and we hope to capitalize on this momentum into FY10.

Despite the severe downturn in North America in FY09, the Group remains optimistic about its Automotive business. We are not dependent on any one market, and our customers are spread geographically in US, Japan, Europe and Korea.

The Consumer/IT business segment will continue to be steady as the orders from existing customers remain strong. The group has also developed new customers to further diversify its customer base in this business segment.

The Healthcare segment continues to be the fastest growing segment. Orders from existing customers remain strong. We have invested in a clean room facility in our Malaysian plant and expect to start mass production in 2Q10. We will continue to work to expand our market share.

Our tooling business, the leading indicator, remains strong across all business segments. Our capacity in Southern China had also expanded with the completion of our new tooling factory last August. We are now positioned as one of the largest tool makers in

INCREASED SUSTAINABILITY

The Group will add resources to further strengthen our global business development effort. We intend to continue to focus on operational excellence, on cash flow management and to build capabilities for competitive advantage.

CHAIRMAN'S MESSAGE

this region. Our contrarian decision, to expand our capacity during a year of crisis, puts us in a great position at this time.

Acknowledgements
The Board would like to take this opportunity to thank our business partners for their support and management and staff for their continued commitment and hard work through this difficult year.

We would like to thank our customers and bankers for their continued support.

Koh Boon Hwee
Chairman
April 2010

主席献词

2009财政年度是具有挑战性的一年。全球经济和金融危机导致世界各地的银行及金融机构在年初收紧信贷，使许多公司面对资金流动性的问题。在实体经济大受影响的情况下，消费需求急剧下降，特别是如汽车等需要花费大笔金钱的商品，更受到了严重的冲击。全球企业采取了大刀阔斧的应变措施，包括缩短工作周、减薪、裁员，甚至关闭工厂。作为业务规划的基本要素，定单的可见性也完全消失。为了协助公司和人民度过艰难的时期，世界各国的政府纷纷推出了经济刺激配套。

集团也没有免于这场危机。在2009财政年度的第一季度，我们面对了客户订单减缓，以及预测窗口缩短的难题，其中以汽车业的情况最为严重。过去几年来，集团一直致力于现金管理，2009财政年度更凸显了这个环节的重要性。在我们的竞争对手因缺少资金而无法营运，转让工程项目的情况下，这场金融危机也为我们提供了扩展业务的机会。在颁发新项目合同时，供应商的财务状况和实力顿时成为重要的考虑因素，这个新发展对我们是有利的。集团要向我们的银行合作伙伴在这段期间的支持表示衷心感谢，并希望继续获得他们的支持。实际上，尽管2009财政年度充满了严峻的挑战，我们仍是业内少数能够超越2008年取得增长的公司之一。

财务业绩

集团营业收入增加了2.4％，从2008财政年度的3亿6500万元增至2009财政年度的3亿7370万元。除了汽车业务之外，来自其他业务领域的贡献均有所增加。

集团毛利润也显著增加了30.7％，从2008财政年度的4370万元增至2009财政年度的5710万元。毛利率则从2008财政年度的12.0％增至2009财政年度的15.3％。这是因为产量增加使资源获得更好的运用，以及过去一年的工厂合并计划和成本降低措施所取得的节约成果。

截至2009年12月31日为止，集团现金余额达到了6830万元的健康水平，净债务为320万元。集团在2008年12月31日的现金余额为4190万元，净债务则是4630万元。尽管2009年的营运环境艰难，我们仍然在不牺牲销售的情况下，取得了6090万元的营运现金流量，并将净债务减少了4310万元。

股息

我谨代表董事会欣然宣布董事会建议每股派发0.4分年终股息，有关事项待即将举行的年度股东大会审批通过。

业务展望

集团将增加资源以进一步扩展全球业务。我们将继续专注于优化营运、现金管理，以及建立竞争优势的能力。自2009财政年度的第一季度以来，集团业务在每个季度都呈现增长的趋势，我们希望能将此势头带入2010财政年度。

尽管北美市场在2009财政年度陷入了严重衰退，集团仍然对其汽车业务保持乐观。我们并不依赖任何单一市场，客户分布在美国，日本、欧洲及韩国等不同地域。

由于现有客户的订单依然保持强劲，消费／资讯科技业务部门将继续稳定增长。集团也争取到新的客户，使这项业务的客户群进一步多样化。

医疗保健业务继续成为增长最快的领域。来自现有客户的订单依然强劲。我们在马来西亚工厂投资的无尘室设施，预计将在2010年第二季度开始投入量产。我们将继续努力扩大市场份额。

作为领先指标的模具业务，在所有业务领域保持强劲的势头。随着去年8月新模具厂的落成，我们也扩大了中国南部的产量。如今，我们已经成为本区域最大的模具制造商之一。我们在危机中扩展业务能力的逆向决策，为我们争取到极佳的市场定位。

鸣谢

董事会要借此机会感谢我们的商业伙伴的支持，也要感谢管理层和员工在过去艰难的一年所付出的心血和努力。

我们还要感谢我们的客户及银行合作伙伴继续支持我们。

许文辉
主席
2010年4月

A DECISIVE STEP FORWARD

The financial year 2009 saw Sunningdale made a considerable progress towards healthcare industry with a consistently growing added value.

Mr. Koh Boon Hwee is the Non-Executive Chairman of Sunningdale Tech Ltd.He is currently the Chairman of DBS Group Holdings Ltd and DBS Bank Ltd. He also serves on the boards of Agilent Technologies, Inc, and AAC Acoustic Technologies Holdings Ltd. Mr. Koh is also the Chairman of the Nanyang Technological University Board of Trustees.

Mr. Koh was previously Chairman of Singapore Airlines Ltd (2001-2005), SIA Engineering Company Ltd (2003-2005), Singapore Telecommunications Ltd (1986-2001), Chairman of Omni Industries Ltd (1997-2001), Executive Chairman of the Wuthelam Group of Companies (1991-2000) and, before that, Managing Director of Hewlett Packard Singapore (1985–1990), where he started his career in 1977.

He holds a Bachelor of Science (Mechanical Engineering) First Class Honours Degree from Imperial College, University of London, and a Masters of Business Administration (with Distinction) from Harvard Business School.

Mr. Khoo Boo Hor is the Chief Executive Officer of Sunningdale Tech Ltd. Prior to this appointment, he was the Group Operations Director of Sunningdale Tech Ltd. He joined the Group on 18 May 2005 and was responsible for the Group's manufacturing operations. Mr. Khoo played a significant role in integrating the operations of Sunningdale Precision Industries Ltd and Tech Group Asia Ltd following the merger of the two companies in July 2005.

Mr. Khoo was previously the Director of Operations for Hewlett-Packard ("HP") Singapore, where he was responsible for HP's Enterprise Storage and Server manufacturing operations. He worked in HP in various capacities for over 16 years.

Mr. Khoo holds a Bachelor of Science and a Bachelor of Engineering (Honours) from Monash University, as well as a Master of Business Administration from the University of Louisville, Kentucky.

Mr. Wong Chi Hung is the Executive Director of Sunningdale Tech Ltd. He began his moulding and tooling career by establishing Chi Wo Plastic Moulds Fty. Ltd. in Hong Kong in 1983. In 1994, he set up Shenzhen Xinlianxing Mould (Shenzhen) Co., Ltd in Shenzhen, China to start tool making activities. Two years later, another factory was set up in Zhongshan, China, called Zhongshan Zhihe Electrical Equipment Co., Ltd.

Mr. Wong has successfully made Chi Wo a premium one-stop moulding supplier for computer, electronics, automotive and consumer industries through his years of directorship. Today, he is the Managing Director of Chi Wo Plastic Moulds Fty. Ltd, a wholly-owned subsidiary of Sunningdale Tech Ltd. He oversees all operational, marketing and business issues of Chi Wo and its subsidiaries.

BOARD OF DIRECTORS

Mr. Koh Boon Hwee	Mr. Khoo Boo Hor	Mr. Wong Chi Hung
Non-Executive Chairman	Executive Director, Chief Executive Officer	Executive Director

Mr. Steven Uhlmann is a Non-Executive Director of Sunningdale Tech Ltd.

Mr. Uhlmann pursued a career in the plastics industry, starting the Tech Group in 1967, expanding to Asia in 1995 ultimately becoming Tech Group Asia, then merging with Sunningdale. He was named Arizona's 1998 Entrepreneur of the Year in the Manufacturing/ High Tech category, and is also a former President of the Society of Plastics Engineers, Arizona Chapter.

In addition, Mr. Uhlmann is the former Chairman of the Board of Governors for the National Plastics Centre Museum. He also serves on the boards of Family Matters and Strong Families, two organizations committed to strengthening family relationships.

Mr. Uhlmann studied product design at the Arizona State University.

Mr. Gabriel Teo Chen Thye is an independent Director of Sunningdale Tech Ltd. He is also an independent Director of IFS Capital Limited, and sits on the Boards of several other corporates including NTUC Income Insurance Co-operative Ltd. He is the Managing Director of Gabriel Teo & Associates Pte. Ltd.

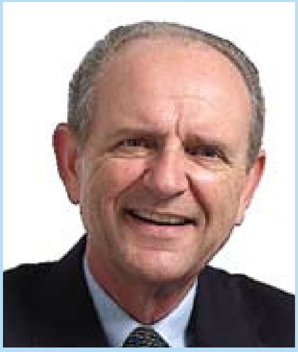
Mr. Teo was previously Regional Managing Director of Bankers Trust, and Chief Executive Officer of The Chase Manhattan Bank. In his earlier career, he had also held various senior appointments at Citibank and Citicorp Investment Bank.

He holds a Bachelor of Business Administration degree from the University of Singapore and a Master of Business Administration from Cranfield School of Management. Mr. Teo also attended the Executive Program in International Management at Columbia University.

Mr. Kaka Singh is an Independent Director of Sunningdale Tech Ltd. He is also an Independent Director of Tuan Sing Holdings Limited and Gul Technologies Singapore Ltd, as well as Chairman of RSM Chio Lim LLP, Certified Public Accountants.

He holds memberships in various professional bodies. Mr. Singh was also the past president of the ACCA Singapore, CIMA Singapore and SAICSA. In addition, he had held chairmanship in the Audit Practice Committee and the Accounting Standards Committee of the ICPAS. He was awarded the Silver Medal by ICPAS in 1994 for his contributions to the community and accounting profession in Singapore. He holds an MBA from the Cass Business School of the London City University.

Mr. Steven Uhlmann	Mr. Gabriel Teo Chen Thye	Mr. Kaka Singh
Non-executive Director	Independent Director	Independent Director



Mr. Ong Sim Ho is an an Independent Director of Sunningdale Tech Ltd. He is a Director at Drew & Napier LLC where he heads the Tax & Private Client Services Group. He is the Non-Executive Chairman of TM Asia Life Singapore Ltd and a member of the Board of Emirates National Oil Company (Singapore) Pte Ltd, Eucon Holding Limited, Innovalues Limited and TM Asia Insurance Singapore Ltd. Mr. Ong also serves as an Advisory Board Member of the School of Accountancy at the Singapore Management University. He is an Advocate and Solicitor of the Supreme Court of Singapore, Barrister-at-Law, Lincoln's Inn, a Certified Public Accountant in Singapore and a member of the Singapore Institute of Directors.

Mr. Steven Tan is an Independent Director of Sunningdale Tech Ltd. He is currently the Chairman of Steven Tan Russell Bedford PAC, Samas Management Consultants Pte Ltd and Steven Tan Management Consultants Pte Ltd.

Mr. Tan is a practicing Certified Public Accountant of Singapore and is a fellow member of the Institute of Chartered Accountants in England and Wales, as well as the Hong Kong Society of Accountants. From 1969 to 1981, he was the President of the Singapore Society of Accountants, now known as the Institute of Certified Public Accountants of Singapore ("ICPAS") for six terms, and from 1994 to April 2002, he was the Chairman of the Ethics Committees of ICPAS and The Public Accountants Board.

From 1994 to September 2001, he was an Independent Director and Chairman of the Audit Committee of Berger International Ltd.

Mr. Tan was also a member of the Council of the Ngee Ann Polytechnic from 1980 to 1992, and Deputy Chairman from 1992 to March 2000. He was appointed as a member of the Liquor Licensing Board from 1971 to 1992 and as Vice-Chairman from 1992 to 2006.

He was a member of the National University of Singapore Advisory Committee on Acquisitions of the Lee Kong Chian museum from 1995 to 2003 and Chairman from 2003 to 2006.

Mr. Tan received the Gold Medal awarded by ICPAS in 1987, and was conferred the Public Service Medal and The Public Service Star in 1988 and 1995 respectively.

BOARD OF DIRECTORS

Mr. Ong Sim Ho

Independent Director

Mr. Steven Tan

Independent Director

Mr. Lim Chin Hong is the Engineering Director of Sunningdale Tech Ltd, responsible for all the tooling operations of the Group.

Prior to joining Sunningdale Tech Ltd in 2005, Mr. Lim was the Vice President and General Manager of the Automated Test Group for the Manufacturing Test Business Unit of Agilent Technologies. Mr. Lim spent 25 years with Hewlett-Packard and Agilent Technologies in its semiconductor operations. He was instrumental in their re-engineering initiatives and in the worldwide implementation of an Oracle ERP system. Mr Lim also spent two years working as an engineering manager in the hard disk storage industry.

Mr. Lim graduated from the University of Strathclyde in Glasgow with a Bachelor of Science in Engineering (Honours). He also holds a Master of Business Administration (Executive Program) from Golden Gate University. He also completed the Stanford-NUS General Management Program in 1995.

Ms. Soh Hui Ling is the Chief Financial Officer of Sunningdale Tech Ltd. Prior to this appointment; she was the Group Financial Controller responsible for the financial and accounting matters of the Group. She held the same post as Group Financial Controller at the former Sunningdale Precision Industries Ltd, which she joined in January 1997.

Before joining Sunningdale Precision Industries Ltd, Ms. Soh was the Finance and Administrative Manager of Dew Management Advancement Consultants Pte Ltd, in charge of the accounts and administration department.

She was also previously an Audit Supervisor at Paul Wan & Co, in charge of the audit and accounts department.

Ms. Soh holds a Diploma in Business Studies from Ngee Ann Polytechnic in Singapore. She completed the Association of Chartered Certified Accountant Course in 1991 and is a Fellow member of the Association of Chartered Certified Accountants, UK, and a Fellow of the Institute of Certified Public Accountants of Singapore.

Mr. Ang Kock Seong is the Corporate Business Development Director of Sunningdale Tech Ltd. He previously held the post of Director of Corporate Business Development & China Operations with Sunningdale Precision Industries Ltd. In that capacity, he was in charge of business development, sales and marketing, and programme management of the Group as well as the operations of its subsidiaries in China.

Mr. Ang started his career as an Executive Engineer in the R&D department of Aiwa Singapore Ltd, in charge of new product design and development. During his tenure at Aiwa, Mr. Ang received product design and engineering training at Aiwa Japan's R&D headquarters.

Mr. Ang later held the position of Executive Director with Cybertronics Pte Ltd, where he was in charge of sales and marketing, operations and technical support. His diverse experience includes product design, programme management, business development, sales and marketing, and running operations in China.

MANAGEMENT TEAM

Mr. Ang graduated from the National University of Singapore with a Bachelor of Mechanical Engineering (Honours), and participated in the TDB-Wharton-INSEAD Executive Marketing Management Program in 2001. He was conferred a Master of Business Administration (Executive Program) from the State University of New York at Buffalo.

Mr. Chan Whye Mun is the General Manager for South East Asia, responsible for all molding operations in Singapore, Johor (Cemerlang) and Bintan plants. Prior to joining Sunningdale Tech Ltd in June 2006, he was the COO of UMS holdings, a semiconductor precision machining and solutions company.

Mr. Chan was previously a Senior Director of Product Engineering, Failure Analysis and Quality for Seagate Technology where he worked for 13 years. Before that, he was in Hewlett Packard Singapore as a Reliability Engineer for 3 years.

Mr. Chan holds a Bachelor of Engineering (1st Class Hons) from University of Western Australia.

Mr. Paul Ow is the General Manager responsible for the business at Podoyo Plastics Sdn Bhd and the contract manufacturing business at Sunningdale Tech Ltd.

Prior to joining Sunningdale Tech Ltd in March 2004, Mr. Ow was managing the Penang plant for First Engineering Ltd. Mr. Ow has several years of practical engineering experience in process control, quality assurance and production, etc. He has worked in Texas Instrument Singapore, and Hewlett-Packard ("HP") Singapore.He furthered his career with HP as Functional Manager by setting strategic objectives for the Quality Department, Automation Department and TQC Department.

Mr. Ow was also a venture capitalist and managed start-up companies when he joined Seed Venture Management Pte Ltd, a venture capitalist, as Vice President. He managed a team of investment officers to evaluate investment opportunities, monitor performance of investee companies and develop strategies for growth.

Mr. Ow obtained his Bachelor Degree in Engineering (Electronics) from the University of Melbourne. He further completed his Advanced Management Program from the University of Hawaii.

Mr. Chan Tung Sing is the General Manager for Shanghai operations and fully responsible for plant performance.

Prior to joining Sunningdale Tech Ltd in November 2005, Mr. Chan spent over 11 years with Hewlett Packard ("HP") in various management positions. His last role was the Materials Manager, Engineering & Supply Chain, of Enterprise Storage & Servers Group, Asia Pacific Region. He was responsible for formulating and implementing material engineering strategy, materials management for various HP Global Business Units and implementing Asia Pacific Supply Chain Programs.

Mr. Chan comes with vast management experience in Product, Test & Procurement engineering, Materials and Supply Chain.

Mr. Chan holds a Bachelor degree of Electrical Engineering from the National University of Singapore.

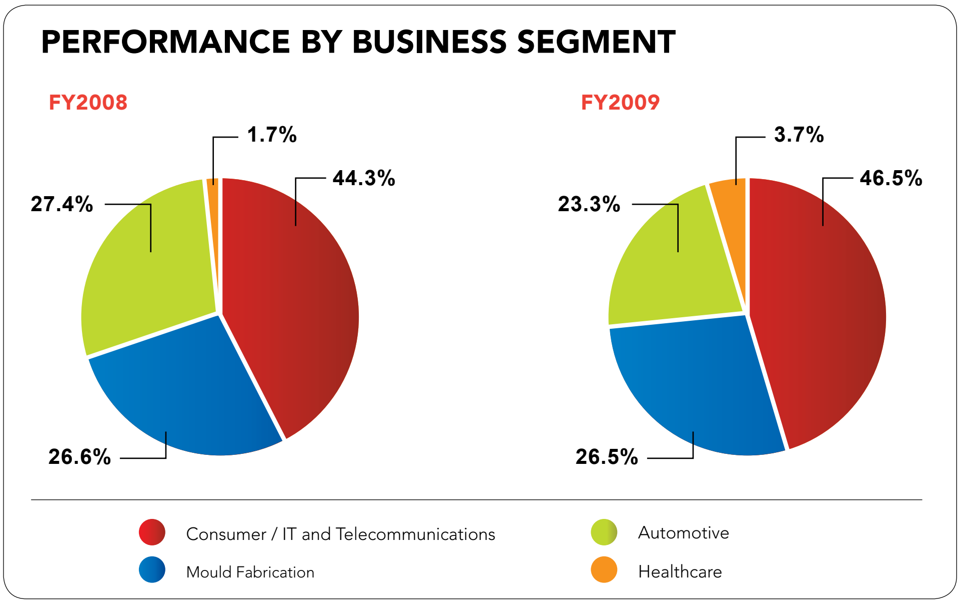
Ms. Cindy Bin is the Group Human Resource Manager of Sunningdale Tech Ltd and is responsible for the development and implementation of the Group's human resource programmes and policies. Prior to her current position, Ms. Bin joined Sunningdale Precision Industries Ltd as Corporate Human Resource Manager in April 2003.

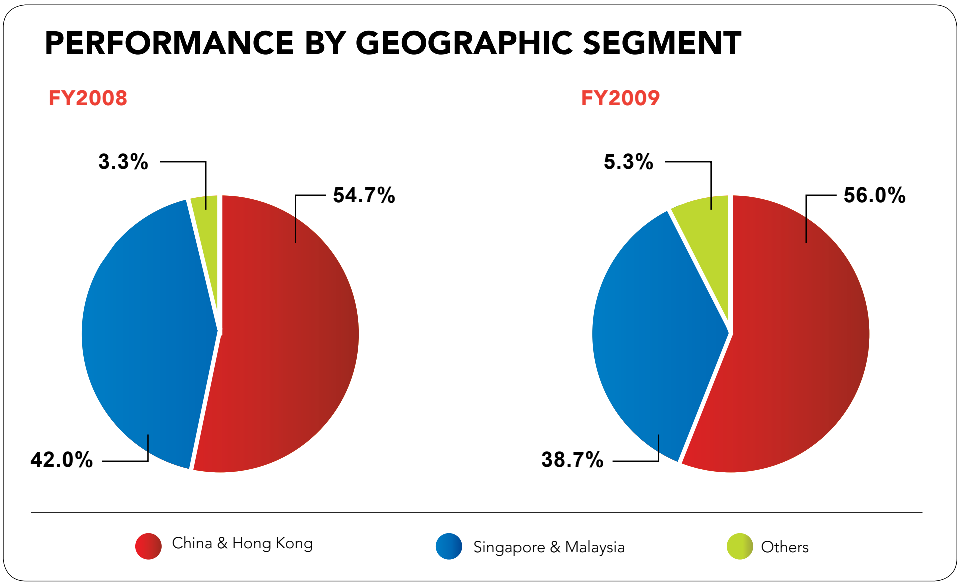
Prior to joining Sunningdale Precision Industries Ltd, she was the Human Resource Manager of De La Rue Currency and Security Print Pte Ltd, a subsidiary of UK-based De La Rue, a commercial currency printer. Ms. Bin spent 19 years with De La Rue and was responsible for the full spectrum of human resource functions. She was instrumental in developing and implementing the company's Quality Management System and Environmental Management System, and managing the health and safety functions. She started her career in human resource in Newton Pte Ltd and Jurong Plywood Pte Ltd.

Ms. Bin graduated from the University of Singapore with a Bachelor of Science degree, majoring in Chemistry. She also holds a Post Graduate Diploma in Personnel Management from the Singapore Institute of Management. Ms. Bin is a Professional Member of the Singapore Human Resources Institute.

MORE VALUE DRIVEN

During the last financial year, we have made full use of our strength and we have safeguarded ourselves financially during this difficult period. Likewise, we are looking forward to a new financial year with good prospects of success.

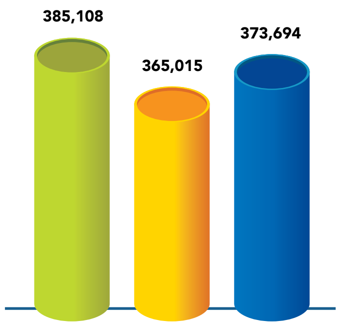




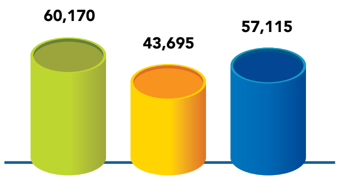
FINANCIAL HIGHLIGHTS

REVENUE AND NET PROFIT ($'000)

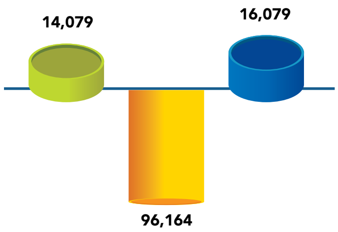
Revenue



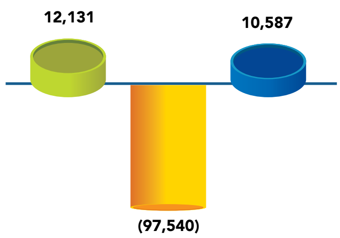
Gross Profit



Net Profit / (Loss) Before Tax



Net Profit / (Loss) After Tax



1 Jan 07 - 31 Dec 07 | 1 Jan 08 - 31 Dec 08 | 1 Jan 09 - 31 Dec 09

REVENUE

The Group started with lower revenue in 1Q09 due to the global financial crisis. This rebounded quickly in 2Q09 and continued to improve for the rest of the financial year ended 31 December 2009 ("FY09"). As a result, the Group recorded a marginal increase in revenue of 2.4% from $365.0 million in FY08 to $373.7 million in FY09.

The increase in revenue came from all business segments except the Automotive business segment. Revenue from the Automotive business segment in 1H09 was impacted by North America. The severe downturn in North America was moderated by the spread of Sunningdale's customers geographically in Japan, Europe and Korea. This segment picked up in 2H09 and the overall decline in revenue from the Automotive business segment was a manageable 12.9%.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit for FY09 increased by 30.7% to $57.1 million from $43.7 million a year ago due to better utilization because of increased production volume, as well as the consolidation of plants, and the cost cutting measures that were put in place over the year. Correspondingly, the gross profit margin for FY09 was also higher at 15.3% compared to 12.0% in FY08.

PROFITABILITY

The net profit attributable to shareholders was $10.6 million for FY09 compared to a net loss of $97.5 million in FY08.

The loss in FY08 was due to a non-cash impairment loss on goodwill of $95.0 million (FY09: $nil) and a non-cash foreign exchange loss of $7.8 million (FY09: $1.2 million).

In FY09, there was an impairment on property, plant and equipment of $1.7 million (FY08: $nil).

Excluding the impairment loss on goodwill, impairment on property, plant and equipment and foreign exchange loss, the net profit would have been $13.5 million in FY09 compared to $5.2 million in FY08.

Marketing and distribution costs were reduced by 13.6% from $10.8 million in FY08 to $9.3 million in FY09. This was due to natural attrition of personnel and cost control.

Interest expense rose by 28.5% in FY09 to $3.8 million from $3.0 million in FY08 due to higher interest rates charged.

OPERATIONS REVIEW

EARNINGS, NET ASSET VALUE AND NET TANGIBLE ASSET VALUE PER SHARE

Based on the weighted average number of ordinary shares in issue, the Group recorded basic earning per share of 1.43 cents for FY09 from a basic loss per share of 13.26 cents for FY08, a year when it recorded a $95.0 million impairment loss on goodwill.

Net asset value per share increased to 32.94 cents as at 31 December 2009 from 32.32 cents as at 31 December 2008.

Net tangible asset per share rose to 28.90 cents as at 31 December 2009 from 28.24 cents a year earlier.

FINANCIAL POSITION AND CASH FLOW MOVEMENTS

The Group's property, plant and equipment were at $163.7 million as at 31 December 2009 compared to $176.7 million as at 31 December 2008. During the year, the Group incurred $18.7 million in capital expenditure, partly for the construction of a factory in Zhongshan which was started in FY08 and partly for the purchase of machines & equipment in certain manufacturing plants. This was offset by a depreciation charge of $26.7 million.

Inventories decreased to $56.8 million as at 31 December 2009 from $64.8 million as at 31 December 2008 as control over inventories was tightened.

Trade and other receivables increased to $87.0 million as at 31 December 2009 from $86.6 million as at 31 December 2008. This was in line with the increase in revenue which was partially offset by the impairment allowance for doubtful debts of $1.9 million.

Trade and other payables increased to $49.4 million as at 31 December 2009 from $41.0 million as at 31 December 2008 mainly due to capital expenditure items incurred and increases in purchases of materials which were in line with the increase in revenue.

Overall bank borrowings decreased to $71.5 million as at 31 December 2009 from $88.2 million as at 31 December 2008.

The Group maintained a cash balance of $68.3 million as at 31 December 2009 resulting in net debt of about $3.2 million.

Net cash generated from operating activities was $60.9 million for FY09, compared to $8.4 million for FY08. Net cash used in investing activities was $17.2 million for FY09 as compared to $28.0 million in FY08 as the major portion of the construction of the new factory in Zhongshan was incurred in FY08. Net cash used in financing activities for FY09 was $16.3 million compared to $8.0 million in FY08 mainly due to repayment of some loans.

PERFORMANCE BY BUSINESS SEGMENTS

Revenue from the Automotive business segment decreased by 12.9% from

$100.00 million for FY08 to $87.1 million for FY09. The segment's contribution to Group revenue declined from 27.4% to 23.3%. The decrease in revenue was mainly due to lower demand from North America as their production output for the year was cut by 32.0% but this was moderated by the wide spread of our customers geographically in Europe, Japan and Korea.

The Group had decided to include the Telecommunication business segment into the Consunmer/IT business segment and to spin out Healthcare from this segment for our reporting from this year. The combined Consumer/IT and Telecommuincation business segments continued to be the main revenue generator accounting for 46.5% of Group revenue for FY09, this was up from 44.3% for FY08. The revenue for the combined segment increased by 7.2% from $162.0 million for FY08 to $173.6 million for FY09 due to new projects launched and increased orders from both existing and new customers.

Revenue from Healthcare increased substantially from $6.2 million in FY08 to $13.8 million in FY09 as several projects awarded in 2008 started to ramp production this year. Correspondingly, the segment contribution had increased from 1.7% in FY08 to 3.7% in FY09.

Revenue from Mould Fabrication increased by 2.3% from $96.9 million for FY08 to $99.2 million for FY09. This segment accounted for 26.5% of the Group's revenue for FY09 slightly down from 26.6% for FY08.

PERFORMANCE BY GEOGRAPHIC SEGMENTS

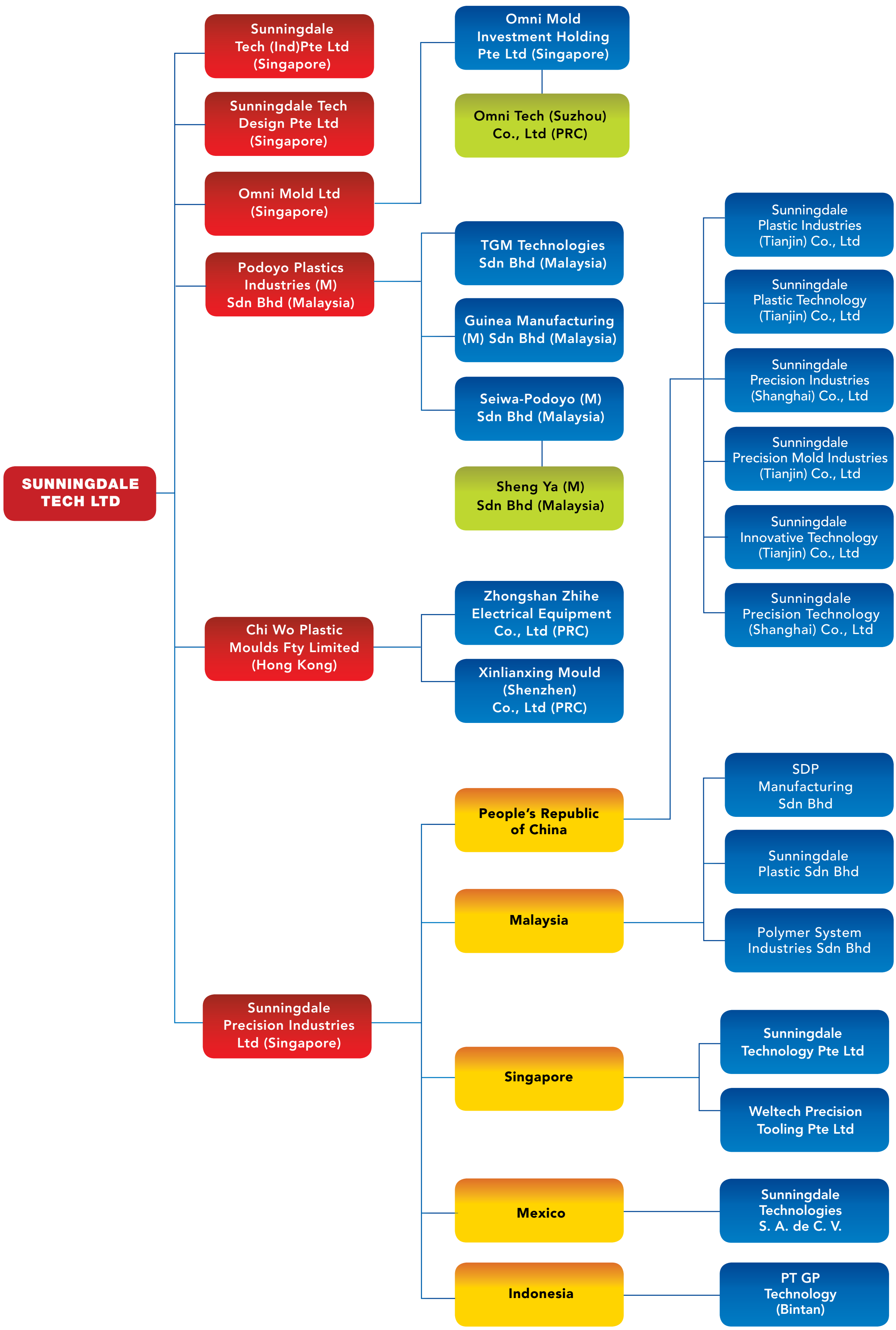
The Group currently has manufacturing facilities located in nine locations including Singapore, Malaysia, Indonesia, China and Mexico.

Operations in China and Hong Kong continued to contribute the bulk of Group revenue and accounted for 56.0% for FY09,an increase of 1.3% points from 54.7% for FY08.

The Singapore and Malaysia operation is the next most important revenue-generating region, and their contribution decreased from from 42.0% for FY08 to 38.7% for FY09. This is due to projects coming to their end of life.

Revenue contribution from the Group's operations in other regions increased from 3.3% for FY08 to 5.3% for FY09, due to the acquisition of plant and equipment in Mexico to support an existing customer well as the successful acquisition of new customers in the Consumer/IT business segment.

CORPORATE STRUCTURE



A ONE-STOP PRECISION PLASTIC ENGINEERING COMPANY

Sunningdale Tech Ltd is a leading manufacturer of precision plastic components. The Group provides one-stop, turnkey plastic solutions, with capabilities ranging from product & mould designs, mould fabrication, injection moulding and secondary processing, through to the precision assembly of complete products.

Boasting a total factory space of more than 2.5 million sq feet, with more than 550 injection moulding machines and a tooling capacity of 2,500 moulds per year, Sunningdale Tech is focusing on serving four key business segments – automotive, consumer/IT/telecommunications, healthcare and tooling.

With manufacturing facilities located in nine locations across Singapore, Malaysia (Johor), Indonesia (Bintan), China (Tianjin, Shanghai, Suzhou and Zhongshan), and Mexico (Guadalajara), Sunningdale Tech is strategically positioned to target and capture opportunities in diverse business sectors globally using 3rd party logistic partners.

PARTNER OF CHOICE

Sunningdale Tech has emerged as an even more compelling manufacturing partner – delivering greater synergy and value for shareholders through a diversified customer and product base, new skills and technologies, new geographic markets, stronger management team and larger talent pool, increased scale and financial strength.

We leverage our strengths and minimize our gaps, by sharing technology and skills across each others' facilities. The Group is able to offer customers a strong suite of capabilities across the entire value chain, thus bringing us closer to being a Preferred Supplier and Partner of Choice.

Testament to this is our diversified customer base which spans across continents to include leading American, European, Japanese and Korean multi-national corporations and original equipment manufacturers.

MOVING FORWARD

To sustain future growth, the Group is continually strengthening our technical capabilities, investing in infrastructure, broadening our product support portfolio and geographical reach. Our aim is to provide seamless support to our customers' global programs and cater to their specific requirements in this rapidly changing market.

CORPORATE PROFILE

BOARD OF DIRECTORS

Koh Boon Hwee
(Non-Executive Chairman)

Khoo Boon Hor
(Executive Director, Chief Executive Officer)

Steven Uhlmann
(Non-Executive Director)

Wong Chi Hung
(Executive Director)

Steven Tan Chee Chuan
(Independent Director)

Gabriel Teo Chen Thye
(Independent Director)

Kaka Singh
(Independent Director)

Ong Sim Ho
(Independent Director)

AUDIT COMMITTEE

Kaka Singh
(Chairman)

Gabriel Teo Chen Thye
(Member)

Steven Tan Chee Chuan
(Member)

NOMINATING COMMITTEE

Ong Sim Ho
(Chairman)

Steven Uhlmann
(Member)

Gabriel Teo Chen Thye
(Member)

REMUNERATION COMMITTEE

Steven Tan Chee Chuan
(Chairman)

Steven Uhlmann
(Member)

Ong Sim Ho
(Member)

COMPANY SECRETARY

Dorothy Ho Lai Yong

REGISTERED OFFICE

51 Joo Koon Circle Singapore 629069
Tel: (65) 6861 1161 Fax: (65) 6863 4173

AUDITORS

Ernst & Young LLP
One Reffles Quay
North Tower Level 18
Singapore 048583
Audit Partner : Simon Yeo
since financial year 2008

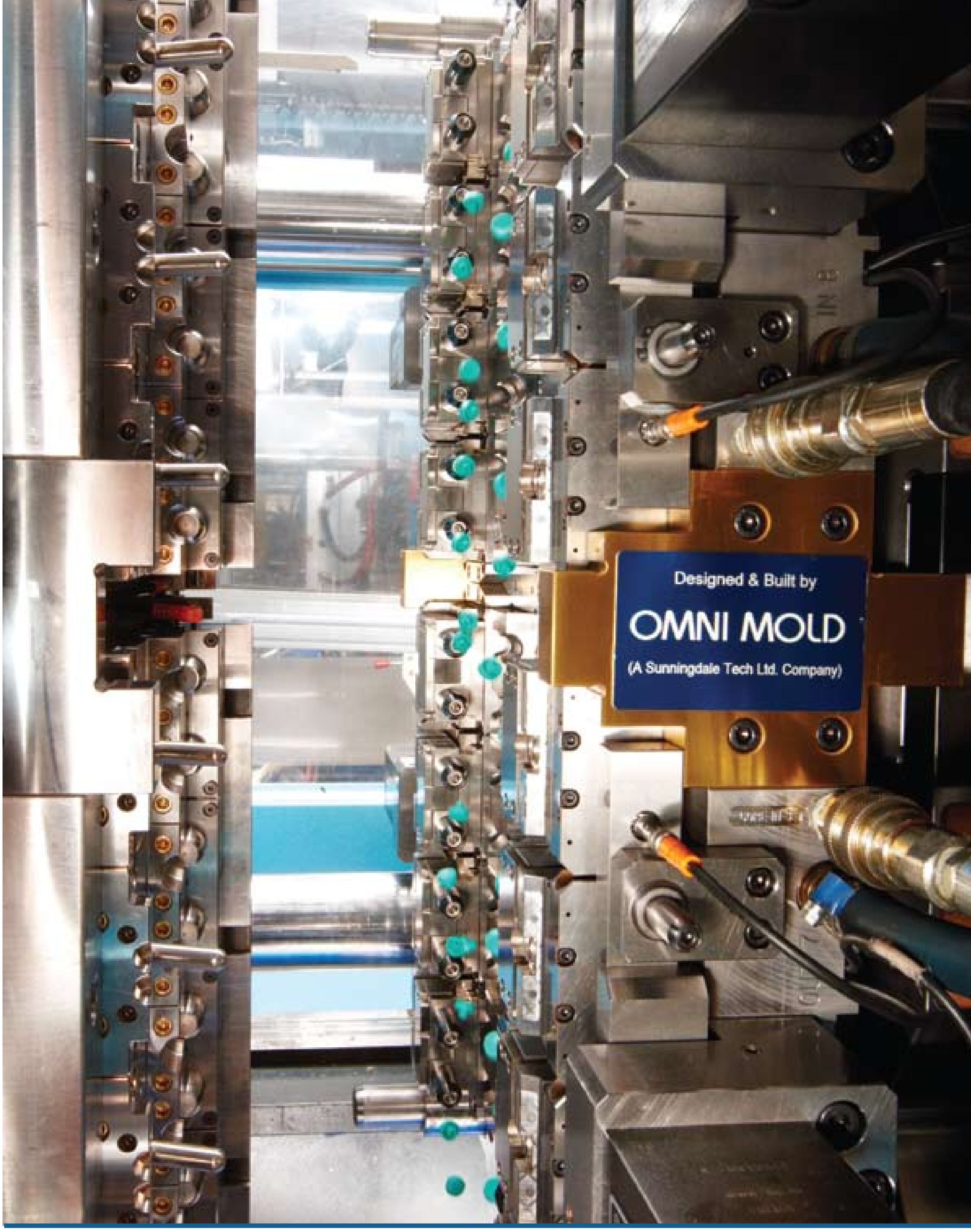
SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
(a member of Boardroom Limited)
50 Raffles Place, Singapore Land Tower
#32-01, Singapore 048263

BANKERS

DBS Bank Ltd
Malayan Banking Berhad
Oversea-Chinese Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

CORPORATE INFORMATION



CORPORATE GOVERNANCE

Contents

Corporate Governance Report

Sunningdale Tech Ltd ("Sunningdale Tech" or the **"Company"**) is committed to ensuring a high standard of corporate governance within the Group to protect the interests of its shareholders and maximise long-term shareholder value. This report is in compliance with the continuing obligations stipulated under Chapter 7 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.

Sunningdale Tech has complied substantially with the requirements of the Code of Corporate Governance (the "Code") and will continue to review its practices on an ongoing basis. It has provided an explanation for any deviation from the Code, where appropriate.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.*

The primary function of the Board is to protect and enhance long-term value and returns for its shareholders. Besides carrying out its statutory responsibilities, the Board oversees the formulation of the Group's overall long-term strategic objectives and directions; deliberates the Group's annual business and strategic plans and monitors the achievement of the Group's corporate objectives. It assumes responsibility for the Group's overall strategic plans and performance objectives, financial plans and annual budgets, investments proposals, financial performance reviews, compliance and accountability systems, and corporate governance practices.

The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly, half-year and full year's results and interested person transactions of a material nature.

The full Board meets regularly on a quarterly basis and ad-hoc Board meetings are convened as and when they are deemed necessary. Meetings via telephone or video conference are permitted by **Sunningdale Tech's** Articles of Association. The Secretary attends all Board meetings and is responsible for ensuring that Board procedures are observed.

A record of the Directors' attendance at Board meetings for the financial year ended 31 December 2009 is set out below.

	Board Meetings	
Name of Director	**Held**	**Attended**
Koh Boon Hwee (Chairman)	4	4
Khoo Boo Hor	4	4
Wong Chi Hung	4	4
Steven Uhlmann	4	2
Gabriel Teo Chen Thye	4	4
Steven Tan Chee Chuan	4	4
Kaka Singh	4	3
Ong Sim Ho	4	4
Ng Boon Hoo (Retired on 30 April 2009)	4	1

Formal Board meetings are held on a regular basis to oversee the business affairs of the Group and to approve the financial results or business strategies or objectives. Additional Special Board meetings and/or Teleconference meetings are held to deliberate on urgent substantive matters.

Corporate Governance Report
– Continued

To assist in the execution of its responsibilities, the Board has established three Board Committees, namely, the **Audit Committee** (**"AC"**) , the **Nominating Committee** (**"NC"**) and the **Remuneration Committee** (**"RC"**). These committees function within clear defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

The terms of reference and the composition of the Board Committees have been detailed in the respective sections of this report.

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board currently comprises 8 Directors, of whom 4 are independent, 2 are executive and 2 are non-executive. Having the right competencies and diversity of experience enable each of the Directors to effectively contribute to the Company. The current size of the Board appears sufficient and appropriate to facilitate decision making. The Board will continue to review the size of the Board on an ongoing basis.

The independent Directors are Messrs Steven Tan Chee Chuan, Kaka Singh, Ong Sim Ho and Gabriel Teo Chen Thye. The criterion of independence is based on the definition given in the Code. The Board considers an "independent" director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs. With four of the directors deemed to be independent, the Board is able to exercise independent judgment on corporate affairs and provide Management with a diverse and objective perspective on issues.

The composition of the Board is reviewed on an annual basis by the **NC** to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. Each director has been appointed on the strength of his calibre, experience and stature and his potential to contribute to the proper guidance of the Group and its business.

When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new director with particular skills, the **NC**, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The Board then nominates the most suitable candidate who is only appointed to the Board by the Company.

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.*

Mr. Koh Boon Hwee is the non-Executive Chairman and Mr. Khoo Boo Hor is the Chief Executive Officer ("CEO"). The Chairman is responsible for the workings of the Board while the CEO is responsible for implementing Group strategies and policies and conducting the Group's businesses. The Chairman and the CEO are not related.

The Chairman's duties include:

a) leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;
b) ensuring accurate, timely and clear information flow to the Directors;
c) ensuring effective shareholder communication;
d) encouraging constructive relations between the Board and the Management;
e) facilitating effective contribution of Non-Executive Directors;
f) encouraging constructive relations between Executive Directors and Non-Executive Directors ; and
g) promoting high standards of corporate governance.

Corporate Governance Report
– Continued

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

The **NC** comprises a non-executive director and two independent directors of the Company, i.e. Mr. Ong Sim Ho as the Chairman, Messrs Steven Uhlmann and Gabriel Teo Chen Thye as members.

The responsibilities of the **NC** are to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board and also to decide on how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval.

In addition, the **NC** also performs the following functions:

- assess the contribution of each individual director to the effectiveness of the Board;
- re-nominate any director, having regard to the director's contribution and performance;
- determine on an annual basis whether a director is independent;
- decide whether a director is able to and has been adequately carrying out his duties as a director of the Company, particularly where the director has multiple board representations; and
- identify gaps in the mix of skills, experience and other qualities required in an effective board so as to better nominate or recommend suitable candidates to fill the gaps.

Where, by virtue of any vacancy in the membership of the **NC** for any reason, the number of members of the **NC** is reduced to less than three (or such other number as may be determined by the SGX-ST), the Board shall, within three months thereafter, appoint such number of new members to the **NC**. Any new member appointed shall hold office for the remainder of the term of office of the member of the **NC** in whose place he or she is appointed.

The **NC** is regulated by its terms of reference that sets out its responsibilities, procedures and in particular the calling of meetings, notice to be given of such meetings, the voting and proceedings thereat. The Company also maintains records of the deliberations and proceedings of the **NC**.

The number of meetings held and attendance at the meetings of the NC are as follows:-

	Nominating Committee Meetings	
Name of Director	**Held**	**Attended**
Ong Sim Ho (Chairman)	1	1
Steven Uhlmann (Member)	1	1
Gabriel Teo Chen Thye (Member)	1	1

The directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to Article 91 of the Company's Articles of Association, one-third of the Board directors are to retire from office by rotation and be subject to re-election at the Company's Annual General Meeting ("AGM"). In addition, Article 97 of the Company's Articles of Association provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his appointment.

Corporate Governance Report
– Continued

The dates of initial appointment and last re-election/re-appointment of each director are set out below:

Name of Director	Appointment	Date of Initial Appointment	Date of Last Re-election/ Re-Appointment
Koh Boon Hwee	Non-Executive Chairman	22 April 2003	17 April 2007
Khoo Boo Hor	Chief Executive Officer	01 January 2009	30 April 2009
Wong Chi Hung	Executive Director	11 May 2004	30 April 2009
Steven Uhlmann	Non-Executive Director	22 January 1996	29 April 2008
Gabriel Teo Chen Thye	Independent Director	18 July 2005	17 April 2007
Steven Tan Chee Chuan	Independent Director	20 October 2003	30 April 2009
Kaka Singh	Independent Director	18 July 2005	29 April 2008
Ong Sim Ho	Independent Director	18 July 2005	17 April 2007

Board Performance

Principle 5: *There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.*

The **NC** has adopted a system for assessing the effectiveness of the Board as a whole. Each Director was requested to participate in the appraisal process which focused on:-

a) the composition and degree of independence of the Board;
b) information flow from management;
c) Board's access to management and external experts;
d) Board process;
e) Investor relations and corporate social responsibility vis-à-vis the Board;
f) Strategy review activities;
g) Appropriate financial measures to assess the Board's stewardship;
h) Board's management of the Company's performance
i) Board Committees' effectiveness; and
j) CEO's performance and succession planning.

The Board and the **NC** have, with its best effort, ensured that directors appointed to the Board possess the background, experience, knowledge in business, finance and management skills critical to the Group's business. It has also ensured that each director, with his special contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Access to Information

Principle 6: *In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.*

Directors are from time to time furnished with detailed information concerning the Group to enable them to be fully cognisant of the decisions and actions of the Group's executive management. All directors have unrestricted access to the Company's records and information. They also receive monthly management accounts to enable them to exercise oversight over the Group's financial position.

The agenda for Board meetings is prepared in consultation with the Chairman. Detailed Board papers are prepared for each meeting and are normally circulated a week in advance of each meeting. The Board papers include sufficient background explanatory information from the Management on financial, business and corporate issues to enable the directors to be properly briefed on issues to be considered at Board meetings. Such explanatory information may also be in the form of briefings to the directors or formal presentations made by senior management staff in attendance at Board meetings, or by external consultants engaged on specific projects.

Corporate Governance Report
– Continued

The Board has separate and independent access to the Company Secretary and to other senior management executives of the Company and of the Group at all times in carrying out their duties.

The Board takes independent professional advice as and when necessary to enable it or the independent directors to discharge its or their responsibilities effectively. Subject to the approval of the Chairman, each director has the right to seek independent legal and other professional advice, at the Company's expense, to assist them in their duties.

The Company Secretary attends all Board meetings and meetings of the Board committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

The **RC** comprises a non-executive director and two independent directors of the Company, i.e. Mr. Steven Tan Chee Chuan as the Chairman, Messrs Ong Sim Ho and Steven Uhlmann as members.

The Committee has access to expert advice in the field of executive compensation outside the Company where required.

The number of meetings held and attendance at the meetings are as follows:

	Remuneration Committee Meetings	
Name of Director	**Held**	**Attended**
Steven Tan Chee Chuan (Chairman)	1	1
Ong Sim Ho (Member)	1	1
Steven Uhlmann (Member)	1	1

In addition, informal meetings were also held during the year as well as circular resolutions were also passed.

The **RC** oversees and approves recommendations on executives' remuneration, with the aim of building capable and committed management teams through competitive compensation and focused management and progressive policies. The review covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, share options, and benefits-in-kind. The Committee's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the Board. No director proposed or determined his own remuneration.

Level and Mix of Remuneration

Principle 8: *The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.*

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual directors.

Corporate Governance Report
– Continued

The independent directors receive directors' fees, in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the directors and the need to pay competitive fees to attract, motivate and retain the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The executive directors do not receive directors' fees. The remuneration for the executive directors and the key senior executives comprise a basic salary component and a variable component which is the annual bonus and the share awards, based on the performance of the Group as a whole and their individual performance.

The annual reviews of the compensation of directors are carried out by the **RC** to ensure that the remuneration of the executive directors is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed periodically by the RC and the Board.

The **RC** also administers the SunningdaleTech Employees' Share Option Scheme as well as the SunningdaleTech Restricted Share Plan and SunningdaleTech Performance Share Plan.

Disclosure on Remuneration

Principle 9: *Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.*

The breakdown of remuneration payable to the Directors and key executives for the financial period from 1 January 2009 to 31 December 2009 are set out below:

Remuneration Band and Name of Directors	**Fee[1] (%)**	**Basic Remuneration (%)**	**Variable Remuneration (%)**	**Share[2] Award (%)**	**Total Remuneration (%)**
Below S$250,000					
Koh Boon Hwee	39	-	-	61	100
Steven Uhlmann	100	-	-	-	100
Gabriel Teo Chen Thye	100	-	-	-	100
Steven Tan Chee Chuan	100	-	-	-	100
Kaka Singh	100	-	-	-	100
Ong Sim Ho	100	-	-	-	100
Ng Boon Hoo (Retired on 30 April 2009)	100	-	-	-	100
$500,000 to $750,000					
Wong Chi Hung	-	72	15	13	100
$250,000 to $499,999					
Khoo Boo Hor	-	78	-	22	100

Remuneration Band of top 5 key Employees (who are not Directors)	**No. of Key Executive**	**Salary (%)**	**Share[2] Award (%)**	**Other Benefits (%)**	**Total Remuneration (%)**
S$250,000 and below	-	-	-	-	-
Above S$250,000 to S$499,999	5	83	2	15	100

(1) subject to approval by shareholders as a lump sum at the annual general meeting for the financial year ended 31 December 2009.

(2) the share awards are granted under the Restricted Share Plan. The fair value of the share award is estimated in-house by management using the last traded price at grant date less the present value of expected dividend during the vesting period as the valuation basis. Details of the share awards are disclosed in the Directors' Report.

Corporate Governance Report
– Continued

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

In presenting the annual financial statements and quarterly announcements, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

The Management currently provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties. On a monthly basis, Board members are provided with up-to-date financial reports and other information on the Group's performance for effective decision making.

Audit Committee

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

All three members of the **AC** namely, Mr. Kaka Singh as the Chairman, Messrs Gabriel Teo Chen Thye and Steven Tan Chee Chuan as members, are independent directors of the Company. They bring with them invaluable leadership, managerial and professional expertise in the investment, financial and business management spheres. The **AC** meets regularly with the Group's external auditors and its executive management to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained in the Group.

The **AC** also monitors proposed changes in accounting policies, reviews need for the internal audit and risk management functions and discusses the accounting implications of major transactions. In addition, the Committee advises the Board regarding the adequacy of the Group's internal controls including risk management and the contents and presentation of its reports.

Specifically, the **AC**:

- reviews the audit plans and scope of audit examination of the external auditors and evaluates their overall effectiveness through regular meetings with each group of auditors;
- reviews the adequacy of the internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;
- evaluates the adequacy of the internal control systems of the Group by reviewing written reports from the external auditors, and Management's responses and actions to correct any deficiencies;
- evaluates the adherence to the Group's administrative, operating and internal accounting controls;
- reviews the annual and quarterly financial statements and announcements to shareholders before submission to the Board for adoption;
- ensures the nature and extent of non-audit services provided by external auditors would not affect their independence as external auditors of the Company;
- reviews interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders; and
- considers other matters as requested by the Board.

Corporate Governance Report
– Continued

The **AC** is authorised to investigate any matter within its Terms of Reference, and has full access to the Management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any executive director or executive officer to attend its meetings. For the financial year ended 31 December 2009, the **AC** has met with the external auditors separately, without the presence of the Management, to discuss the reasonableness of the financial reporting process, to review the adequacy of audit arrangements with particular emphasis on the observations and recommendations of the auditors, the scope and quality of their audits and the independence and objectivity of the auditors.

The **AC** also reviewed the non-audit services provided by the external auditors, which comprise tax services, and was satisfied that the independence of the external auditors would not be impaired.

The Company has put in place a "whistle blowing" process whereby staff of the company can raise concerns about possible improprieties in matters of financial reporting or other matters through a well-defined and accessible channel within the Company. The objective of the policy is to encourage the reporting of such matters in good faith, while providing the assurance that staff making such reports will be fairly treated. Procedures are also established to ensure that such matters are promptly investigated, appropriate follow-up actions taken by management and results reported to the Board of Directors.

The number of meetings held and attendance at the meetings during the last financial year ended 31 December 2009 are as follows:

	Audit Committee Meetings	
Name of Director	**Held**	**Attended**
Kaka Singh (Chairman)	4	3
Gabriel Teo Chen Thye (Member)	4	4
Steven Tan Chee Chuan (Member)	4	4

Internal Control

Principle 12: *The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.*

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has appointed PricewaterhouseCoopers LLP to develop an Enterprise Risk Management framework for implementation in key businesses within the Group. Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. Having identified the risks to the achievement of their strategic objectives, each business is required to document and propose the mitigating actions in place in respect of each significant risk.

During the financial year, the **AC**, on behalf of the Board, has reviewed the effectiveness of the Group's system of internal controls in the light of key business and financial risks affecting the operations.

Corporate Governance Report
– Continued

Internal Audit

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

The Board recognises that it is responsible for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The effectiveness of the internal financial control systems and procedures are monitored by the Management and the internal audit function is out-sourced to an international public accounting firm, PricewaterhouseCoopers LLP. The internal audit function reports primarily to the Chairman of the **AC**.

During the year, the Company has initiated the set up of an Internal Audit Department to bring the internal audit function in-house and since recruited an Internal Audit Manager towards the end of the Financial Year. The Internal Audit Manager is a Certified Public Accountant and Certified Internal Auditor, reports functionally to the Chairman of the **AC** and administratively to the Chief Executive Officer.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Greater Shareholder Participation

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company does not practise selective disclosure. In line with the continuous disclosure obligations of the Company pursuant to the Singapore Exchange Listing Rules and the Singapore Companies Act, the Board's policy is that all shareholders should be informed regularly and on a timely basis of all major developments that impact the Group.

Pertinent information is communicated to shareholders on a regular and timely basis through:

- the Company's annual reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group;
- quarterly financial statements containing a summary of the financial information and affairs of the Group for the period. These are published on the SGXNET and in news releases;
- notices of and explanatory memoranda for AGM and Extraordinary General Meetings. The Board ensures that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle as regards to the "bundling" of resolutions. The Board will provide reasons and material implications where resolutions are interlinked.
- press releases on major developments of the Group;
- disclosures to the Singapore Exchange; and
- the Group's website at www.sdaletech.com from which shareholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases, annual reports, and profiles of the Group.

Corporate Governance Report
– Continued

In addition, shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation and for them to be kept up to date as to the Group's strategies and goals. The notice of the AGM is despatched to shareholders, together with explanatory notes or a circular on items of special business, at least 14 working days before the meeting. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues and ask the directors or Management questions regarding the Company and its operations.

The Board supports the Code's principle to encourage shareholder participation. The Articles allow a shareholder of the Company to appoint one or two proxies to attend the AGM and vote in place of the shareholder.

The Chairmen of the **AC, RC** and **NC** are normally available at the AGM to answer those questions relating to the work of these Committees. The external auditors are also present to assist the Board in addressing any relevant queries by the shareholders.

DEALING IN SECURITIES

The Group has adopted and implemented an internal code in relation to the dealing of shares of the Company. The Group has procedures in place, including prohibition on insider trading, which restricts the dealing in the Company's shares during the periods commencing one month (for the Group's half yearly and full year results) and two weeks (for the Group's quarterly results) prior to the announcement of the Group's results and ending on the date of the announcement of the results, or if they are in possession of unpublished material price-sensitive information of the Group. In addition, directors and executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Sunningdale Tech Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2009.

1. Directors

The directors of the Company in office at the date of this report are:

Koh Boon Hwee	*(Non-Executive Chairman, Non-Executive Director)*
Khoo Boo Hor	*(Executive Director, Chief Executive Officer)*
Steven Uhlmann	*(Non-Executive Director)*
Wong Chi Hung	*(Executive Director)*
Steven Tan Chee Chuan	*(Independent Director)*
Gabriel Teo Chen Thye	*(Independent Director)*
Kaka Singh	*(Independent Director)*
Ong Sim Ho	*(Independent Director)*

In accordance with Article 91 of the Company's Article of Association, Koh Boon Hwee and Gabriel Teo Chen Thye retire and, being eligible, offer themselves for re-election.

In accordance with Section 153(6) of the Singapore Companies Act, Cap. 50, Steven Tan Chee Chuan and Kaka Singh retire and, being eligible, offer themselves for re-election.

2. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than as disclosed below under "Share plans".

3. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share awards of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		**Deemed interest**	
Name of Director	**At beginning of financial year**	**At end of financial year**	**At beginning of financial year**	**At end of financial year**
Sunningdale Tech Ltd (Ordinary shares)				
Koh Boon Hwee	25,278,960	26,238,960	110,040	110,040
Khoo Boo Hor	–	4,950,000	–	–
Steven Uhlmann	800,000	114,045,125	150,993,500	–
Wong Chi Hung	–	–	9,080,883	9,080,883
Steven Tan Chee Chuan	1,000,000	10,000,000	–	–
Gabriel Teo Chen Thye	339,660	339,660	–	–
Kaka Singh	396,270	396,270	–	–

Directors' Report
– Continued

3. Directors' interests in shares and debentures (cont'd)

Except for Khoo Boo Hor who had a direct interest of 8,439,413 ordinary shares as at 21 January 2010, there was no other change in any of the above mentioned interests between the end of the financial year and 21 January 2010.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share awards, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements and emoluments paid by related corporations, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Share plans

Restricted Share Plan and Performance Share Plan

The Sunningdale Tech Ltd Restricted Share Plan (the "RSP") and Sunningdale Tech Ltd Performance Share Plan (the "PSP") were approved by the members of the Company at an Extraordinary General Meeting held on 29 October 2004. Details of the RSP and PSP were set out in the Circular dated 13 October 2004.

The Remuneration Committee ("RC") administering the RSP and PSP comprise three directors, Steven Tan Chee Chuan (Chairman), Steven Uhlmann and Ong Sim Ho. The RC administers the RSP and PSP in accordance with its objectives and rules thereof and to determine participation eligibility, grant of share awards and any other matters as may be required.

No share awards have been granted under PSP during the financial year under review and as at the date of this report.

Directors' Report
– Continued

5. Share plans (cont'd)

Shares granted under RSP

The following RSP share awards were granted to employees of the Company and the Group:

No. of Participants	Date of grant	Market price of share awards at date of grant (S$)	Share awards granted during financial year	Aggregate share awards granted since commencement of the RSP to end of financial year	Aggregate share awards forfeited since date of grant to end of financial year	Aggregate share awards released since date of grant to end of financial year	Aggregate share awards outstanding as at end of financial year
72	13 January 2006	0.62	–	7,071,000	(1,490,250)	(5,322,000)	258,750
6	06 October 2006	0.32	–	640,000	(345,000)	(295,000)	–
52	21 June 2007	0.395	–	5,466,000	(1,276,250)	–	4,189,750
1	24 August 2007	0.34	–	800,000	–	–	800,000
71	02 October 2008	0.12	–	6,694,000	(531,000)	–	6,163,000
2	06 April 2009	0.05	150,000	150,000	–	–	150,000
44	11 December 2009	0.125	6,575,000	6,575,000	–	–	6,575,000

Details of the RSP granted to directors of the Company are as follows:

Name of Director	As at beginning of financial year	Share awards granted during the financial year	Share awards released since date of grant to end of financial year	As at end of financial year
Koh Boon Hwee	1,760,000	–	(960,000)	800,000
Wong Chi Hung	1,500,000	700,000	(450,000)	1,750,000
Khoo Boo Hor	1,800,000	900,000	(450,000)	2,250,000

The share awards granted to participants who received five percent or more of the total number of share awards under the RSP during the financial year under review are as follows:

Name of Participant	As at beginning of financial year	Share awards granted during the financial year	Share awards released since date of grant to end of financial year	As at end of financial year
Lim Chin Hong	1,320,000	700,000	(360,000)	1,660,000

Directors' Report
– Continued

5. Share plans (cont'd)

Shares granted under RSP (cont'd)

The share award of 7,711,000 shares granted in 2006, 6,266,000 shares granted in 2007, 6,694,000 shares granted in 2008 and 6,725,000 shares granted in 2009 were subject to the following conditions:-

(i) one third of allotted number of share awards shall be vested on the first anniversary of the date of grant; one third on the second anniversary of the date of grant; and the last third on the third anniversary of the date of grant;

(ii) all the share awards shall be delivered only on the third anniversary of the date of grant;

(iii) that in order to receive this award, the participants must be in the employment of the Company or its group of companies, subject to the provisions as set out in the Summary of Rules of the RSP in the Circular to Shareholders dated 13 October 2004;

(iv) in the event employee leaves the employment of the Company or its group of companies, the share awards which have vested before the date of resignation shall be delivered on the third anniversary of the date of grant subject to length of service adjustment (*);

(v) in the event employee leaves the employment of the Company or its group of companies and joins competitors, the share awards which have vested before the date of resignation shall be delivered on the fifth anniversary of the date of grant subject to length of service adjustment (*); and

(vi) in the event employee retires from the workforce, the share awards which have been granted shall be vested as active employees and delivered on the third anniversary of the date of grant, provided the sum of his age and length of service is greater than 60 years, he has worked with the Company or its group of companies for at least ten years and he does not go to work for a competitor.

(vii)[#] in the event employee leaves the employment of the Company due to company's restructuring, the share awards which have vested before the date of retrenchment shall be delivered on the third anniversary of the date of grant.

Any waiver to these conditions would need the Remuneration Committee's final decision.

(*) Length of service adjustment does not apply to the share awards granted in 2008 and 2009
(#) This condition is applied to the share awards granted in December 2009.

Since commencement of the RSP and PSP plans till the end of the financial year:

- No awards have been granted to the controlling shareholders of the Company and their associates;

- No participants other than mentioned above have received 5% or more of the total awards available under the plans;

- No awards other than mentioned above have been granted to directors and employees of the Company and its subsidiaries;

- No awards that entitle the holder, to participate, by virtue of the awards, in any share issue of any other corporation have been granted; and

- No awards have been granted at a discount.

Directors' Report
– Continued

5. Share plans (cont'd)

Shares granted under RSP (cont'd)

The ordinary shares if issued are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The market price of each share as at 31 December 2009 under the above share award is S$0.13 (2008: S$0.055).

6. Audit committee

The Audit Committee ("AC") carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviewed the audit plans and scope of audit examination of the external and internal auditors;
- Reviewed with the external auditors their report on the financial statements and the assistance given by the Company's management to them;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC has recommended to the board of directors that the auditors, Ernst & Young LLP, be nominated for re-appointment as auditors at the next annual general meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

7. Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,

Koh Boon Hwee
Non-Executive Chairman & Non-Executive Director

Khoo Boo Hor
Executive Director & Chief Executive Officer

Singapore
5 April 2010

Statement by Directors Pursuant to Section 201(15)

We, Koh Boon Hwee and Khoo Boo Hor, being two of the directors of Sunningdale Tech Ltd, do hereby state that, in the opinion of the directors,

(a) the accompanying statements of financial position, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Koh Boon Hwee
Non-Executive Chairman & Non-Executive Director

Khoo Boo Hor
Executive Director & Chief Executive Officer

Singapore
5 April 2010

Independent Auditors' Report

To the Members of Sunningdale Tech Ltd

We have audited the accompanying financial statements of Sunningdale Tech Ltd (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2009, the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and statement of financial position and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
5 April 2010

Consolidated Income Statement

for the year ended 31 December 2009

(In Singapore dollars)

	Note	Group 2009 $'000	Group 2008 $'000
Revenue	3	373,694	365,015
Cost of Sales		(316,579)	(321,320)
Gross profit		57,115	43,695
Other items of income			
Interest income	4	117	499
Other income	5	3,598	5,272
Other items of expense			
Marketing and distribution		(9,299)	(10,758)
Administrative expenses		(27,815)	(28,914)
Other operating expenses	6	(3,820)	(102,987)
Finance costs	7	(3,817)	(2,971)
Profit/(loss) before tax from continuing operations	8	16,079	(96,164)
Income tax expense	9	(5,492)	(1,376)
Profit/(loss) from continuing operations, net of tax		10,587	(97,540)
Profit/(loss) attributable to:			
Owners of the parent		10,587	(97,540)
		10,587	(97,540)
Earnings/(loss) per share from continuing operations attributable to owners of the parent (cents per share)			
Basic	10	1.43	(13.26)
Diluted	10	1.41	(13.26)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2009

(In Singapore dollars)

	Group 2009 $'000	Group 2008 $'000
Profit/(loss) net of tax	10,587	(97,540)
Other comprehensive income		
Foreign currency translation	(4,940)	10,738
Other comprehensive income for the year, net of tax	(4,940)	10,738
Total comprehensive income for the year	5,647	(86,802)
Total comprehensive income attributable to:		
Owners of the parent	5,647	(86,788)
Minority interest	–	(14)
	5,647	(86,802)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position
as at 31 December 2009

(In Singapore dollars)

	Note	Group		Company	
		2009 $'000	2008 $'000	2009 $'000	2008 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	163,708	176,728	9,565	13,222
Investment property	13	744	711	–	–
Intangible assets	14	29,964	29,967	–	–
Other investments	15	1	1	–	–
Investment in subsidiaries	16	–	–	227,706	227,706
Investment in associates	17	–	–	–	–
Deferred tax assets	25	775	802	–	–
		195,192	208,209	237,271	240,928
Current assets					
Inventories	18	56,801	64,864	4,284	5,223
Prepayments		2,074	1,995	143	129
Trade and other receivables	19	87,012	86,590	28,667	18,284
Cash and cash equivalents	20	68,284	41,890	8,208	5,632
		214,171	195,339	41,302	29,268
Total assets		**409,363**	**403,548**	**278,573**	**270,196**
EQUITY AND LIABILITIES					
Current liabilities					
Bank overdrafts	20	–	267	–	–
Trade and other payables	21	49,387	40,980	23,919	16,002
Excess of progress billings over work-in-progress	18	8,283	3,916	2,851	1,088
Other liabilities	22	20,741	19,232	2,901	3,298
Loans and borrowings	23	57,674	83,801	18,105	30,193
Derivatives	24	–	29	–	–
Tax payable		12,013	10,234	118	–
		148,098	158,459	47,894	50,581
Net current assets/(liabilities)		**66,073**	**36,880**	**(6,592)**	**(21,313)**

Statements of Financial Position
as at 31 December 2009 – Continued

(In Singapore dollars)

	Note	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Non-current liabilities					
Loans and borrowings	23	13,855	4,163	3,315	–
Deferred tax liabilities	25	3,285	3,194	627	522
		17,140	7,357	3,942	522
Total liabilities		**165,238**	**165,816**	**51,836**	**51,103**
NET ASSETS		**244,125**	**237,732**	**226,737**	**219,093**
Equity attributable to owners of the parent					
Share capital	26	268,243	265,146	268,243	265,146
Reserves		(24,118)	(27,414)	(41,506)	(46,053)
Total equity		**244,125**	**237,732**	**226,737**	**219,093**
Total equity and liabilities		**409,363**	**403,548**	**278,573**	**270,196**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
for the year ended 31 December 2009

(In Singapore dollars)

Group	Share capital (Note 26) $'000	Retained earnings $'000	Foreign currency translation reserve (Note 27) $'000	Other reserves (Note 27) $'000	Total $'000	Minority interests $'000	Total equity $'000
	Attributable to owners of the parent						
2009							
Opening balance at 1 January 2009	**265,146**	**(37,178)**	**232**	**9,532**	**237,732**	**–**	**237,732**
Profit net of tax	–	10,587	–	–	10,587	–	10,587
Other comprehensive income for the year	–	–	(4,855)	(85)	(4,940)	–	(4,940)
Total comprehensive income for the year	–	10,587	(4,855)	(85)	5,647	–	5,647
Grant of equity-settled share awards to employees	–	–	–	746	746	–	746
Issue of share under share awards	3,097	–	–	(3,097)	–	–	–
Transfer from statutory reserve	–	(498)	–	498	–	–	–
Closing balance at 31 December 2009	**268,243**	**(27,089)**	**(4,623)**	**7,594**	**244,125**	**–**	**244,125**
2008							
Opening balance at 1 January 2008	**265,146**	**65,509**	**(10,317)**	**6,864**	**327,202**	**321**	**327,523**
Loss net of tax	–	(97,540)	–	–	(97,540)	–	(97,540)
Other comprehensive income for the year	–	–	10,549	203	10,752	(14)	10,738
Total comprehensive income for the year	–	(97,540)	10,549	203	(86,788)	(14)	(86,802)
Repayment of capital to minority interest	–	–	–	–	–	(307)	(307)
Grant of equity-settled share awards to employees	–	–	–	1,732	1,732	–	1,732
Transfer from statutory reserve	–	(733)	–	733	–	–	–
Dividends paid (Note 11)	–	(4,414)	–	–	(4,414)	–	(4,414)
Closing balance at 31 December 2008	**265,146**	**(37,178)**	**232**	**9,532**	**237,732**	**–**	**237,732**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
for the year ended 31 December 2009 – Continued

(In Singapore dollars)

Company	Attributable to owners of the parent			
	Share capital (Note 26) $'000	Retained earnings $'000	Other reserves (Note 27) $'000	Total equity $'000
2009				
Opening balance at 1 January 2009	**265,146**	**(50,394)**	**4,341**	**219,093**
Profit net of tax	–	6,898	–	6,898
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	6,898	–	6,898
Grant of equity-settled share awards to employees	–	–	746	746
Issue of share under share awards	3,097	–	(3,097)	–
Closing balance at 31 December 2009	**268,243**	**(43,496)**	**1,990**	**226,737**
2008				
Opening balance at 1 January 2008	**265,146**	**17,865**	**2,609**	**285,620**
Loss net of tax	–	(63,845)	–	(63,845)
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	(63,845)	–	(63,845)
Grant of equity-settled share awards to employees	–	–	1,732	1,732
Dividends paid (Note 11)	–	(4,414)	–	(4,414)
Closing balance at 31 December 2008	**265,146**	**(50,394)**	**4,341**	**219,093**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 December 2009

(In Singapore dollars)

	Group	
	2009 **$'000**	**2008** **$'000**
Cash flows from operating activities:		
Profit/(loss) before tax from continuing operations	16,079	(96,164)
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	26,736	26,167
Net gain on disposal of property, plant and equipment (Note 5)	(54)	(9)
Property, plant and equipment written off (Note 6)	92	188
Fair value losses on financial derivatives	–	29
Impairment loss on property, plant and equipment (Note 12)	1,700	–
Impairment loss on goodwill (Note 14)	–	95,000
Impairment loss on club membership (Note 14)	3	–
Bad debt written off / (write-back)	23	(33)
Allowance/(write-back) for doubtful debts (Note 8)	1,850	(183)
Fair value gain on investment property (Note 5)	(54)	–
Allowance/(write-back) for inventories obsolescence/foreseeable losses	1,560	(347)
Employee share award expenses	746	1,732
Interest expense	3,817	2,971
Interest income	(117)	(499)
Currency realignment	(1,781)	5,936
Operating cash flows before changes in working capital	50,600	34,788
(Increase)/decrease in trade and other receivables	(2,295)	1,337
(Increase)/decrease in prepayments	(79)	656
Decrease/(increase) in inventories	6,503	(9,024)
Increase/(decrease) in trade and other payables	12,866	(13,040)
Cash flows generated from operations	67,595	14,717
Interest paid	(3,817)	(2,971)
Interest received	117	499
Income tax paid	(2,986)	(3,867)
Net cash from operating activities	60,909	8,378

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 December 2009 – Continued

(In Singapore dollars)

	Group 2009 $'000	Group 2008 $'000
Cash flows from investing activities:		
Purchase of property, plant and equipment	(17,339)	(28,051)
Net proceeds from disposal of property, plant and equipment	95	404
Repayment of capital to minority interests	–	(307)
Net cash used in investing activities	(17,244)	(27,954)
Cash flows from financing activities:		
Proceeds from loans and borrowings	18,357	15,486
Repayment of loans and borrowings	(34,618)	(21,263)
Repayment of obligations under finance leases and hire purchase	–	(137)
Decrease in restricted cash	–	2,280
Dividends paid on ordinary shares	–	(4,414)
Net cash used in financing activities	(16,261)	(8,048)
Net increase/(decrease) in cash and cash equivalents	27,404	(27,624)
Cash and cash equivalents at beginning of year	38,662	65,353
Effects of exchange rate changes on cash and cash equivalents	(680)	933
Cash and cash equivalents at end of year (Note 20)	65,386	38,662

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
31 December 2009

1. Corporate information

Sunningdale Tech Ltd (the "Company") is a limited liability company, domiciled and incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 51 Joo Koon Circle, Singapore 629069.

The principal activities of the Company consist of manufacturing and sale of dies, tools, jigs, fixtures, high precision steel moulds and plastic products. The principal activities of the subsidiaries are outlined in Note 16 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 Basis of presentation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

Based on the Company's cash flow projection for the year ending 31 December 2010, the financial statements of the Company have been prepared on a going concern basis despite its net current liabilities position.

The financial statements are presented in Singapore Dollars (SGD or $), and all values are rounded to the nearest thousand ($'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 *Presentation of Financial Statements (Revised)*
- Amendments to FRS 18 *Revenue*
- Amendments to FRS 23 *Borrowing* Costs
- Amendments to FRS 32 *Financial Instruments*: *Presentation* and FRS 1 *Presentation of Financial Statements* – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements* – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 *Share-based Payment* – Vesting Conditions and Cancellations
- Amendments to FRS 107 *Financial Instruments*: *Disclosures*

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

- FRS 108 *Operating Segments*
- Improvements to FRSs issued in 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*
- Amendments to INT FRS 109 *Reassessment of Embedded Derivatives* and FRS 39 *Financial Instruments*: *Recognition and Measurement* – Embedded Derivatives
- INT FRS 118 *Transfers of Assets from Customers*

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

<u>FRS 1 *Presentation of Financial Statements* – Revised presentation</u>

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as two linked statements.

<u>Amendments to FRS 107 *Financial Instruments: Disclosures*</u>

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 33 and Note 32 to the financial statements respectively.

<u>FRS 108 *Operating Segments*</u>

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the business segments previously identified under FRS 14 *Segment Reporting* except that the Group has reclassified Telecommunications business segment into the Consumer/IT business segment and to spin out Healthcare from this segment from this year onward. Additional disclosures about each of the segments are shown in Note 35, including revised comparative information.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 *Presentation of Financial Statements*: Assets and liabilities classified as held for trading in accordance with FRS 39 *Financial Instruments*: *Recognition and Measurement* are not automatically classified as current in the statement of financial positions. The Group amended its accounting policy accordingly and analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the statement of financial positions.

- FRS 16 *Property, Plant and Equipment*: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 *Borrowing Costs*: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 27 *Consolidated and Separate Financial Statements*	1 July 2009
Amendments to FRS 32 *Financial Instruments: Disclosure and Presentation*	1 February 2010
Amendments to FRS 39 *Financial Instruments: Recognition and Measurement* – Eligible Hedged Item	1 July 2009
Amendments to FRS 101 *First-Time Adoption of Financial Reporting Standards*	1 January 2010
Amendments to FRS 102 *Share-based Payment*	1 January 2010
Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2009
Amendments to INT FRS 109 *Reassessment of Embedded Derivatives*	30 June 2009
Amendments FRS 114 *FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction*	1 January 2011
Revised FRS 24 *Related Party Disclosures*	1 January 2011
Revised FRS 101 *First-Time Adoption of Financial Reporting Standards*	1 July 2009

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Revised FRS 103 *Business Combinations*	1 July 2009
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
INT FRS 118 *Transfer of Assets from Customers*	1 July 2009
INT FRS 119 *Extinguishing Financial Liabilities with Equity Instruments*	*1 July 2010*
Improvements to FRSs issued in 2009:	
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
– Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
– Amendments to FRS 17 *Leases*	1 January 2010
– Amendments to FRS 36 *Impairment of Assets*	1 January 2010
– Amendments to FRS 38 *Intangible Assets*	1 July 2009
– FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
– Amendments to FRS 102 *Share-based Payment*	1 July 2009
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010
– Amendments to INT FRS 109 *Reassessment of Embedded Derivatives*	1 July 2009
– Amendments to INT FRS 116 Hedges of a *Net Investment in a Foreign Operation*	1 July 2009

Except for the revised FRS 103 and the amendments to FRS 27, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 103 and the amendments to FRS 27 are described below.

<u>Revised FRS 103 Business *Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements*</u>

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 *Statement of Cash Flows*, FRS 12 *Income Taxes*, FRS 21 The *Effects of Changes in Foreign Exchange Rates*, FRS 28 *Investments in Associates* and FRS 31 *Interests in Joint Ventures*. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.4. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill and investment in subsidiaries

Management determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. There was no impairment charge for the financial year ended 31 December 2009 (2008: $95,000,000). More details are given in Note 14. The carrying amount of the goodwill at 31 December 2009 was $29,964,000 (2008: $29,964,000).

The Company assess whether there is any indication of impairment of its investment in subsidiaries at each reporting date. Investment in subsidiaries is tested for impairment when there are indicators that the carrying amount may not be recoverable. Management estimates the recoverable amount based on the value in use. This requires the management to make an estimate of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of the cash flows. There was no impairment charge for the financial year ended 31 December 2009 (2008: $66,172,000). The carrying amount of the Company's investment in subsidiaries at 31 December 2009 was $227,706,000 (2008: $227,706,000).

(ii) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment as discussed in Note 2.10. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 31 December 2009 was $163,708,000 (2008: $176,728,000).

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting judgements and estimates (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Employee share awards

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the employee share awards at the date at which they are granted. Estimating the fair value of such awards requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including expected life of the award, volatility and dividend yield. The assumptions and model used are disclosed in Note 30.

(b) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most effect on the amounts recognised in the financial statements.

(i) Revenue recognition – mould fabrication work

Management recognises revenue from mould fabrication work by reference to the stage of completion at the reporting date, when the outcome of the contract can be estimated reliably. All losses are recorded when they become known. Management had recognised revenue amounting to $99,204,000 (2008: $96,937,000) for mould fabrication work. Management estimates that based on experience with similar work, the percentage of completion used in recognising revenue is appropriate. Even if the events anticipated under the assumption occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. As at 31 December 2009, management has also determined that any provision made for foreseeable losses is adequate.

(ii) Impairment of property, plant and equipment

The carrying values of property, plant and equipment are tested for impairment when there are indicators of impairment. Management estimates the recoverable amount based on the value in use. This requires the management to make an estimate of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of the cash flows. Except as disclosed in Note 12, there are no other indications of impairment as at 31 December 2009.

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting judgements and estimates (cont'd)

(b) Judgements made in applying accounting policies (cont'd)

(iii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Management recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax assets and deferred tax liabilities in the period in which such determination is made. The carrying amounts of the Group's income tax payables, deferred tax assets and deferred tax liabilities at 31 December 2009 were $12,013,000 (2008: $10,234,000), $775,000 (2008: $802,000) and $3,285,000 (2008: $3,194,000) respectively.

(iv) Operating lease commitments – As lessor

The Group has entered into operating lease arrangements for its plant and machinery. Management has determined that it retains all the significant risks and rewards of ownership of the plant and machinery, which are leased out on operating leases.

(v) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2.5 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at end of the reporting period and their statement of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

2.6 Subsidiaries and basis of consolidation

(a) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of the business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy is set out in Note 2.12.

Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.6 Subsidiaries and basis of consolidation (cont'd)

(b) Basis of consolidation (cont'd)

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.7 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the profit or loss and within equity in the consolidated statement of financial position, separately from the parent shareholders' equity.

Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.8 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.8 Associates (cont'd)

The financial statements of the associate are prepared as of the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

On 22 January 2009, the Minister of Finance announced the Job Credit Scheme in his Budget Speech. The objective of the Jobs Credit Scheme is to encourage businesses to preserve jobs in the downturn.

The Group is entitled to receive a cash grant under the Jobs Credit Scheme and has accounted for the Jobs Credit grants in accordance with the Circular issued by Institute of Certified Public Accountants of Singapore on 20 May 2009.

Jobs Credit is recognised in the month of receipt and is recorded in the statement of comprehensive income over the period on a systematic basis to sales and distribution costs and general and administrative expenses.

2.10 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Leasehold land and buildings	-	20 to 60 years
Leasehold improvements	-	1 to 30 years
Machinery and equipment	-	1 to 10 years
Office equipment and furniture	-	2 to 10 years
Motor vehicles	-	5 to 10 years

Assets under construction included in plant and equipment, classified as construction-in-progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.10 Property, plant and equipment and depreciation (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.11 Investment properties

Investment properties are initially recorded at cost. Subsequent to recognition, investment properties are measured at fair value and gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year of retirement or disposal.

2.12 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that a cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.5.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.12 Intangible assets (cont'd)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Research and development costs

Research and development costs are expensed as incurred. Deferred development costs arising from development expenditure on an individual project is recognised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditure during the development.

Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.13 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.14 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. Summary of significant accounting policies (cont'd)

2.14 Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss

Financial asset held for trading are classified as financial assets at fair value through profit or loss. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(b) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(c) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are not classified in any of the other categories. After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in income statement. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.16 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from equity to the profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in the profit or loss. Reversals of impairment losses on debt instruments are recognised in the profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss.

2.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials - purchase costs on a first-in-first out basis;

- Finished goods and work-in-progress – costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the profit or loss. Net gains or losses on derivatives include exchange differences.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.19 Derecognition of financial assets and liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The Group retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.22 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for sales returns is recognised for all products sold as at end of the reporting period based on past experience of the level of returns.

2.23 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to end of the reporting period.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.23 Employee benefits (cont'd)

(c) Employee share plans – Restricted Share Plan and Performance Share Plan

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for share plans and awards ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which the share awards are granted. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ('market conditions'), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the Restricted Share Plan reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award is treated as if it was a modification of the original award, as described in the previous paragraph.

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.24 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised, at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25.

2.25 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from the sale of goods is recognised upon passage of title to the customer which generally coincides with their delivery and acceptance.

(b) Revenue from mould fabrication work

Revenue from mould fabrication work is recognised on the percentage of completion method, measured by reference to the stages of mould manufacturing processes surveyed by project engineers and all losses are provided for as they become known. Where the outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.25 Revenue recognition (cont'd)

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividends

Dividend income is recognised when the Group's right to receive payment is established.

(e) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.26 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by end of the reporting period.

Current taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred income tax is provided, using the liability method, on temporary differences at end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.26 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of the reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements
31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.26 Income taxes (cont'd)

(c) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax except:

- Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.27 Derivative financial instruments

Derivative financial instruments are classified as financial assets or liabilities at fair value through profit or loss and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period.

Any gains or losses arising from changes in fair value on derivative financial instruments are taken to profit or loss for the year.

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.30 Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Notes to the Financial Statements

31 December 2009 – Continued

2. Summary of significant accounting policies (cont'd)

2.31 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

3. Revenue

Revenue represents net invoiced value of goods supplied and percentage of work completed for sale of moulds, and it is shown net of related sales taxes, estimated returns, discounts and volume rebates.

4. Interest income

	Group	
	2009 **$'000**	**2008** **$'000**
Interest income from:		
Loans and receivables	117	499

5. Other income

	Group	
	2009 **$'000**	**2008** **$'000**
Income from disposal of scrap materials	692	1,274
Fair value gain on investment property	54	–
Rental income	40	38
Government grant	1,469	10
Net gain on disposal of property, plant and equipment	54	9
Reimbursement from customers and suppliers	554	2,811
Waiver of debts	20	341
Miscellaneous income	715	789
	3,598	5,272

Notes to the Financial Statements

31 December 2009 – Continued

6. Other operating expenses

	Group 2009 $'000	Group 2008 $'000
Property, plant and equipment written off	92	188
Impairment loss on plant and equipment (Note 12)	1,700	–
Impairment loss on goodwill (Note 14)	–	95,000
Impairment loss on club membership (Note 14)	3	–
Loss on disposal of excess inventory	137	–
Net foreign exchange loss	1,195	7,770
Fair value losses on financial derivatives	–	29
Miscellaneous expenses	693	–
	3,820	102,987

7. Finance costs

	Group 2009 $'000	Group 2008 $'000
Interest expense:		
– Bank loans	3,792	2,872
– Bank overdrafts	–	42
– Bills payable	25	55
– Hire purchase/finance leases	–	2
	3,817	2,971

8. Profit/(loss) before tax from continuing operations

	Group 2009 $'000	Group 2008 $'000
Profit/(loss) before tax from continuing operations is stated after charging/(crediting):		
Cost of inventories sold	316,579	321,320
Professional fees paid to a director related company	32	48
Depreciation of property, plant and equipment (Note 12)	26,736	26,167
Bad debts written off/(write-back) - trade	23	(33)
Allowance/(write-back) for doubtful debts	1,850	(183)
Non-audit fees paid to:		
– Auditors of the Company	197	199
– Other auditors	4	88
Employee benefits expense (Note 30)	73,540	85,566
Allowance/(write-back) for inventories obsolescence/foreseeable losses	1,560	(347)

Notes to the Financial Statements

31 December 2009 – Continued

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2009 and 2008 are:

	Group 2009 $'000	Group 2008 $'000
Current taxation		
Current year	6,020	2,824
Overprovision in respect of previous years	(650)	(2,148)
Deferred taxation		
Origination and reversal of temporary differences	1,074	1,829
Benefits from previously unrecognised tax losses	(891)	(1,152)
Effect of reduction in tax rate	(61)	23
Income tax expense recognised in profit or loss	5,492	1,376

Relationship between tax expense and accounting profit

A reconciliation between the tax expenses and accounting profit/(loss) before income tax multiplied by the applicable corporate tax rates for the years ended 31 December 2009 and 2008 are as follows:-

	Group 2009 $'000	Group 2008 $'000
Accounting profit/(loss) before tax from continuing operations	16,079	(96,164)
Tax at the domestic rates applicable to profits in the countries where the Group operates	4,200	(11,151)
Adjustments:		
Lower tax rate for specific provinces or local authority	(353)	(296)
Non-deductible expenses	1,898	15,178
Income not subject to taxation	(415)	(325)
Utilisation of previously unrecognised deferred tax assets	(891)	(1,152)
Deferred tax assets not recognised	2,380	1,588
Overprovision in respect of previous years	(650)	(2,148)
Effect of reduction in tax rate	(61)	23
Others	(616)	(341)
Income tax expense recognised in profit or loss	5,492	1,376

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009. The corporate income tax rate applicable to Malaysian companies of the Group was reduced from 27% to 26% and 25% for the year of assessment 2008 and the year of assessment 2009 onwards respectively.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Notes to the Financial Statements
31 December 2009 – Continued

10. Earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) for the year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) for the year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of any dilutive potential shares).

The following table reflect the profit and loss and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December 2009 and 2008:

	Group	
	2009	**2008**
	$'000	**$'000**
Profit/(loss) attributable to owners of the parent for basic and diluted earnings per share	10,587	(97,540)
	Number of shares	
	'000	**'000**
Weighted average number of ordinary shares on issue applicable to basic earnings per share	740,606	735,643
Effect of dilutive potential share		
• Restricted share plan	12,858	–*
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	753,464	735,643

There have been no other transaction involving ordinary shares or potential ordinary shares since end of the reporting period and before the completion of these financial statements.

* For the purpose of calculating the diluted losses per share for the last financial year, the effect of 13,444,000 share awards under the Restricted Share Plan have not been included in the calculation of diluted losses per share because they are anti-dilutive.

Notes to the Financial Statements
31 December 2009 – Continued

11. Dividends

		Group and Company 2009 $'000	Group and Company 2008 $'000
(a)	Dividends paid during the year are as follows:- 2007 final exempt (one-tier) dividend of $0.006 per share on 735,642,643 ordinary shares	–	4,414
(b)	Proposed but not recognised as a liability as at 31 December: Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
	2009 final exempt (one-tier) dividend of $0.004 per share on 741,079,643 ordinary shares	2,964	–

12. Property, plant and equipment

Group	Leasehold land and buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Machinery and equipment $'000	Office equipment and furniture $'000	Construction-in-progress $'000	Total $'000
Cost							
At 1 January 2009	50,184	28,689	1,993	254,112	20,450	8,208	363,636
Additions	204	2,058	94	9,482	907	5,982	18,727
Reclassification	13,130	(273)	–	1,141	(28)	(13,970)	–
Disposals	–	–	(233)	(360)	(16)	–	(609)
Written off	–	(163)	–	(105)	(48)	–	(316)
Currency realignment	(1,334)	(426)	(34)	(4,329)	(216)	184	(6,155)
At 31 December 2009	62,184	29,885	1,820	259,941	21,049	404	375,283
Accumulated depreciation and impairment loss							
At 1 January 2009	8,450	17,154	1,517	143,467	16,320	–	186,908
Charge for the year	2,115	3,111	131	19,873	1,506	–	26,736
Impairment loss	–	924	–	776	–	–	1,700
Disposals	–	–	(229)	(325)	(14)	–	(568)
Written off	–	(97)	–	(81)	(46)	–	(224)
Currency realignment	(241)	(652)	(25)	(1,841)	(218)	–	(2,977)
At 31 December 2009	10,324	20,440	1,394	161,869	17,548	–	211,575
Net carrying amount							
At 31 December 2009	51,860	9,445	426	98,072	3,501	404	163,708

Notes to the Financial Statements
31 December 2009 – Continued

12. Property, plant and equipment (cont'd)

Group	Leasehold land and buildings $'000	Leasehold improvements $'000	Motor vehicles $'000	Machinery and equipment $'000	Office equipment and furniture $'000	Construction-in-progress $'000	Total $'000
Cost							
At 1 January 2008	48,696	26,631	2,368	235,067	19,117	778	332,657
Additions	728	2,152	19	15,745	1,292	8,115	28,051
Reclassification	–	–	–	618	–	(618)	–
Disposals	–	–	(406)	(398)	(17)	(195)	(1,016)
Written off	–	(533)	–	(2,085)	(104)	–	(2,722)
Currency realignment	760	439	12	5,165	162	128	6,666
At 31 December 2008	50,184	28,689	1,993	254,112	20,450	8,208	363,636
Accumulated depreciation							
At 1 January 2008	6,680	14,171	1,595	123,848	14,630	–	160,924
Charge for the year	1,692	3,190	192	19,458	1,635	–	26,167
Disposals	–	–	(271)	(339)	(11)	–	(621)
Written off	–	(453)	–	(1,992)	(89)	–	(2,534)
Currency realignment	78	246	1	2,492	155	–	2,972
At 31 December 2008	8,450	17,154	1,517	143,467	16,320	–	186,908
Net carrying amount							
At 31 December 2008	41,734	11,535	476	110,645	4,130	8,208	176,728

Company	Leasehold buildings $'000	Leasehold improvements $'000	Machinery and equipment $'000	Office equipment and furniture $'000	Construction-in-progress $'000	Total $'000
Cost						
At 1 January 2009	4,732	5,594	28,003	1,804	32	40,165
Additions	–	178	851	274	66	1,369
Disposals	–	–	(11,056)	(15)	–	(11,071)
At 31 December 2009	4,732	5,772	17,798	2,063	98	30,463
Accumulated depreciation						
At 1 January 2009	973	3,275	21,432	1,263	–	26,943
Charge for the year	78	444	1,680	367	–	2,569
Disposals	–	–	(8,604)	(10)	–	(8,614)
At 31 December 2009	1,051	3,719	14,508	1,620	–	20,898
Net carrying amount						
At 31 December 2009	3,681	2,053	3,290	443	98	9,565

Notes to the Financial Statements

31 December 2009 – Continued

12. Property, plant and equipment (cont'd)

Company	Leasehold buildings $'000	Leasehold improvements $'000	Machinery and equipment $'000	Office equipment and furniture $'000	Construction-in-progress $'000	Total $'000
Cost						
At 1 January 2008	4,732	5,207	23,760	1,491	610	35,800
Additions	–	387	3,791	313	40	4,531
Reclassification	–	–	618	–	(618)	–
Disposals	–	–	(166)	–	–	(166)
At 31 December 2008	4,732	5,594	28,003	1,804	32	40,165
Accumulated depreciation						
At 1 January 2008	894	2,819	19,292	953	–	23,958
Charge for the year	79	456	2,282	310	–	3,127
Disposals	–	–	(142)	–	–	(142)
At 31 December 2008	973	3,275	21,432	1,263	–	26,943
Net carrying amount						
At 31 December 2008	3,759	2,319	6,571	541	32	13,222

The carrying amounts of leasehold land and buildings are as follows:-

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Leasehold land as at 31 December:				
Cost	4,007	4,060	–	–
Accumulated depreciation	(216)	(170)	–	–
Net carrying amount	3,791	3,890	–	–
Leasehold building as at 31 December:				
Cost	58,177	46,124	4,732	4,732
Accumulated depreciation	(10,108)	(8,280)	(1,051)	(973)
Net carrying amount	48,069	37,844	3,681	3,759

Impairment of assets

During the financial year, management carried out a review on the recoverable amount of plant and equipment based on the working conditions. An impairment loss of $1,700,000 (2008: $nil), representing the write–down of these plant and equipment to the recoverable amount was recognised in "Other operating expenses" (Note 6). The recoverable amount was based on its value in use.

Notes to the Financial Statements
31 December 2009 – Continued

13. Investment property

	Group	
	2009 **$'000**	**2008** **$'000**
Statement of financial position:		
At 1 January	711	709
Fair value gain recognised in:		
- Income statement	54	–
Currency realignment	(21)	2
At 31 December	744	711
Income statement:		
Rental income from investment property:		
Minimum lease payments	40	38
	40	38

There were no contingent rent received or direct operating expenses incurred during the year (2008: $nil).

Valuation of property

Investment property is stated at fair value, which has been determined based on valuations at end of the reporting period. The investment property was revalued on 31 December 2009 by A-Plus Surveyors Ltd., an independent professionally qualified valuer, at HK$4,100,000 (2008: HK$3,800,000) on an open market, existing use basis.

Notes to the Financial Statements

31 December 2009 – Continued

14. Intangible assets

Group	Goodwill $'000	Club membership $'000	Total $'000
Cost:			
At 1 January 2009 and 31 December 2009	213,590	56	213,646
Accumulated amortisation and impairment:			
At 1 January 2009	183,626	53	183,679
Impairment loss	–	3	3
At 31 December 2009	183,626	56	183,682
Net carrying amount:			
At 31 December 2009	29,964	–	29,964
Cost:			
At 1 January 2008 and 31 December 2008	213,590	56	213,646
Accumulated amortisation and impairment:			
At 1 January 2008	88,626	53	88,679
Impairment loss	95,000	–	95,000
At 31 December 2008	183,626	53	183,679
Net carrying amount:			
At 31 December 2008	29,964	3	29,967

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the Group's cash-generating units ("CGU") identified according to the Group's business units, for impairment testing as follows:

- Sunningdale Tech Ltd ("STL"), Omni Mold Ltd ("Omni"), Podoyo Plastic Industries Group ("Podoyo") and Sunningdale Tech Ind CGU ("CGU 1");
- Omni Tech (Suzhou) ("OTS") CGU ("CGU 2");
- Chi Wo Plastic Moulds Group ("Chi Wo") CGU ("CGU 3"); and
- Sunningdale Precision Industries Ltd Group ("SPIL") CGU ("CGU 4")

Notes to the Financial Statements

31 December 2009 – Continued

14. Intangible assets (cont'd)

The recoverable amounts of CGU 1 and CGU 3 have been determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections was 9.67% per annum and 9.46% per annum (2008: 10.88% per annum and 10.42% per annum) respectively. The growth rate used to extrapolate the cash flows of both CGUs beyond the five-year period was 2.0% per annum (2008:2.0% per annum). The growth rate does not exceed the long-term average growth rates for the countries in which the CGU operates.

Carrying amounts of goodwill allocated to the CGUs are as follows:-

	2009 $'000	2008 $'000
CGU 1	6,808	6,808
CGU 2	–	–
CGU 3	23,127	23,127
CGU 4	29	29
Total	29,964	29,964

Key assumptions used in calculations of value in use of the CGUs

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted gross margins – the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year and increased for expected efficiency improvements.

Growth rate – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

Cost of borrowing – The borrowing costs used was obtained from management's latest borrowing rates and is consistent with external market rates.

Management believes that any reasonably possible change of the key assumptions of which the CGUs recoverable amounts are based would not cause the CGUs carrying amounts to exceed their recoverable amounts.

During the financial year, no impairment losses on goodwill were recognised. In FY2008, there was an impairment loss of $95,000,000 recognised in profit or loss under the line item "Other operating expenses" (Note 6).

Notes to the Financial Statements
31 December 2009 – Continued

15. Other investments

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Quoted shares, at market value	1	1	–	–
Total available-for-sale financial assets	1	1	–	–

16. Investment in subsidiaries

	Company	
	2009 $'000	2008 $'000
Unquoted shares at cost	407,678	407,678
Impairment losses	(179,972)	(179,972)
Carrying amount of investments	227,706	227,706

During the financial year, there was no impairment charge (2008: $66,172,000) as the carrying value was lower than the recoverable amount. The impairment loss provided on subsidiaries represents the write-down of a subsidiary to recoverable amounts based on the economic performance of the subsidiary group.

The basis used in computing the recoverable amount of the investment in subsidiaries is the same as the impairment testing of goodwill disclosed in Note 14.

Notes to the Financial Statements
31 December 2009 – Continued

16. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities / Country of business	Cost 2009 $'000	Cost 2008 $'000	Percentage of equity interest held 2009 %	Percentage of equity interest held 2008 %
Held by the Company					
Chi Wo Plastic Moulds Fty Limited [2] (Hong Kong)	Manufacturing and sale of mould and plastic injection products, trading of car audio equipment and investment holding (Hong Kong)	97,763	97,763	100	100
Omni Mold Ltd [1] (Singapore)	Design, manufacturing, marketing and export of high precision steel moulds (Singapore)	34,698	34,698	100	100
Podoyo Plastics Industries (M) Sdn Bhd [3] (Malaysia)	Manufacturer of plastic products in video front panels, office automation products and sub-assembly of paper feeders for printers and computer components (Malaysia)	5,209	5,209	100	100
Sunningdale Precision Industries Ltd [1] (Singapore)	Precision mould making, injection moulding of precision engineering plastic components, as well as contract manufacturing of assembled plastic products (Singapore)	265,317	265,317	100	100
Sunningdale Tech (Ind) Pte Ltd [1] (Singapore)	Manufacturing and sale of dies, tools, jigs, fixtures, high precision steel moulds and plastic products (Dormant) (Singapore)	3,172	3,172	100	100
Sunningdale Tech Design Pte Ltd [1] (Singapore)	Development and marketing of lifestyle products (Dormant) (Singapore)	#	#	100	100
Sunningdale Technologies S.A. de C.V. [7] (Mexico)	Manufacturing and sale of precision plastic injection moulding products (Mexico)	1,475	1,475	100*	100*
PT. GP Technology Bintan [11] (Indonesia)	Manufacturing of precision plastic injection moulding products (Indonesia)	44	44	100**	100**
		407,678	407,678		

Notes to the Financial Statements

31 December 2009 – Continued

16. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities / Country of business	Percentage of equity interest held 2009 %	2008 %
Subsidiaries of Chi Wo Plastic Moulds Fty Limited			
Xinlianxing Mould (Shenzhen) Co., Ltd (12) (People's Republic of China)	Manufacture and sale of mould products (Dormant) (People's Republic of China)	100	100
Zhongshan Zhihe Electrical Equipment Co., Ltd (8) (People's Republic of China)	Manufacture and sale of mould and plastic injection products (People's Republic of China)	100	100
Subsidiaries of Omni Mold Ltd			
Omni Mold Investment Holding Pte Ltd (1) (Singapore)	Investment holding, e-commerce, trading and manufacturing and provision of internet services in precision moulds and related activities (Singapore)	100	100
Subsidiaries of Podoyo Plastics Industries (M) Sdn Bhd			
Seiwa-Podoyo (M) Sdn Bhd (3) (Malaysia)	Secondary process and assembly of video and audio front panel and computer components (Malaysia)	100	100
Guinea Manufacturing Sdn Bhd (3) (Malaysia)	Property investment (Malaysia)	100	100
TGM Technologies Sdn Bhd (3) (Malaysia)	Assembler and manufacturer, distributors of electronics components into circuit panels, mechanism and chassis for computers, etc (Dormant) (Malaysia)	100	100
Subsidiaries of Sunningdale Precision Industries Ltd			
Sunningdale Technology Pte Ltd (1) (Singapore)	Manufacturing of two colour plastic moulding products (Dormant) (Singapore)	100	100
SDP Manufacturing Sdn Bhd (3) (Malaysia)	Manufacturing of plastic and metal parts of machinery and equipment (Malaysia)	100	100
Sunningdale Plastic Sdn Bhd (3) (Malaysia)	Liaison office (Dormant) (Malaysia)	100	100

Notes to the Financial Statements

31 December 2009 – Continued

16. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities / Country of business	Percentage of equity interest held 2009 %	2008 %
Subsidiaries of Sunningdale Precision Industries Ltd (cont'd)			
Sunningdale Plastic Industries (Tianjin) Co., Ltd [4] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	100
Sunningdale Precision Industries (Shanghai) Co., Ltd [6] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	100
Sunningdale Precision Mold Industries (Tianjin) Co., Ltd [5] (People's Republic of China)	Manufacturing of precision moulds and provision of technical consulting services (People's Republic of China)	100	100
Weltech Precision Tooling Pte Ltd [1] (Singapore)	Manufacturing of moulds, tools and dies (Dormant) (Singapore)	100	100
Polymer System Industries Sdn Bhd [10] (Malaysia)	Manufacturing of moulds and tools (Dormant) (Malaysia)	100	100
Sunningdale Technologies S.A. de C. V. [7] (Mexico)	Manufacturing of precision plastic injection moulding products (Mexico)	100*	100*
Sunningdale Plastic Technology (Tianjin) Co., Ltd [5] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	100
Sunningdale Precision Technology (Shanghai) Co., Ltd [6] (People's Republic of China)	Designing and manufacturing of precision moulds and precision engineering plastic components for automobile parts (People's Republic of China)	100	100
PT. GP Technology Bintan [11] (Indonesia)	Manufacturing of precision plastic injection moulding products (Indonesia)	100**	100**
Sunningdale Innovative Technology (Tianjin) Co., Ltd [5] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	100

Notes to the Financial Statements
31 December 2009 – Continued

16. Investment in subsidiaries (cont'd)

Name of company/ (Country of incorporation)	Principal activities / Country of business	Percentage of equity interest held 2009 %	2008 %
Subsidiaries of Omni Mold Investment Holding Pte Ltd			
Omni Tech (Suzhou) Co., Ltd [9] (People's Republic of China)	Product design and development, tooling and moulding (People's Republic of China)	100	100
Subsidiaries of Seiwa-Podoyo (M) Sdn Bhd			
Sheng Ya (M) Sdn Bhd [3] (Malaysia)	Property investment (Malaysia)	100	100

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by Ernst & Young, Hong Kong, SAR
(3) Audited by Ernst & Young, Johor Bahru, Malaysia
(4) Audited by Tianjin Guangxin Certified Public Accountants Co., Ltd
(5) Audited by Ernst & Young, Beijing, the People's Republic of China
(6) Audited by Ernst & Young, Shanghai, the People's Republic of China
(7) Audited by Ernst & Young, Mexico
(8) Audited by Zhongshan Xiangshan Certified Public Accountant Co., Ltd
(9) Audited by Welsen Certified Public Accountants
(10) Audited by Chong & Associates, Chartered Accountants
(11) Audited by Purwantono, Sarwoko & Sandjaja, a member firm of Ernst & Young Global
(12) No audit was performed as the company is dormant
* 54.7% of equity held by the Company and 45.3% of equity held by Sunningdale Precision Industries Ltd
** 10.0% of equity held by the Company and 90.0% of equity held by Sunningdale Precision Industries Ltd
\# Cost of investment is $2

As required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Audit Committee and the Board of Directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

Notes to the Financial Statements
31 December 2009 – Continued

17. Investment in associates

The impairment loss provided on associates represented the write-down of the associates to recoverable amounts based on the economic performances of these companies.

Name of company (Country of incorporation and business)	Principal activities	Effective equity interest held by the Group 2009 %	2008 %
Held through subsidiary Synergy MFG Pte Ltd (Singapore)*	Moulding	20	20

* The company is dormant as at 31 December 2009 and 2008 and the accounts are not audited.

18. Inventories

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Finished goods	12,313	15,941	1,203	1,421
Work-in-progress	27,292	31,542	2,696	2,816
Raw materials	17,196	17,381	385	986
Total inventories at lower of cost and net realisable value	56,801	64,864	4,284	5,223
Inventories are stated after deducting allowance for inventories obsolescence/foreseeable losses	4,122	3,836	78	648
Analysis of allowance for inventories obsolescence:-				
At 1 January	3,226	3,907	648	960
Charge for the year	3,284	1,570	4	703
Written-off	(649)	(493)	(199)	(49)
Write-back	(1,878)	(1,832)	(375)	(966)
Currency realignment	(36)	74	–	–
At 31 December	3,947	3,226	78	648

The write back of allowance for inventories obsolescence was made when the related inventories can be sold above their carrying amount.

Notes to the Financial Statements

31 December 2009 – Continued

18. Inventories (cont'd)

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Work-in-progress:-				
Costs incurred to date	38,867	45,764	5,727	3,435
Recognised profits less recognised losses to date	3,243	9,089	316	72
	42,110	54,853	6,043	3,507
Less: Progress billings	(22,926)	(26,617)	(6,198)	(1,779)
Allowance for foreseeable losses	(175)	(610)	–	–
	19,009	27,626	(155)	1,728
Comprising:				
Work-in-progress	27,292	31,542	2,696	2,816
Excess of progress billings over work-in-progress	(8,283)	(3,916)	(2,851)	(1,088)
	19,009	27,626	(155)	1,728

The revenue recognised in profit or loss of the Group for the year was $99,204,000 (2008: $96,937,000).

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Analysis of allowance for foreseeable losses:				
At 1 January	610	693	–	–
Charge for the year	200	269	–	–
Written-off	(587)	–	–	–
Write back	(46)	(354)	–	–
Currency alignment	(2)	2	–	–
At 31 December	175	610	–	–

The write back of allowance for foreseeable losses were made when the related inventories can be sold above their carrying amount

Notes to the Financial Statements
31 December 2009 – Continued

19. Trade and other receivables

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Trade receivables	80,590	81,777	12,213	8,481
Amounts due from subsidiaries				
- trade	–	–	1,450	305
- non-trade	–	–	7,857	3,898
- loans	–	–	7,026	5,159
Sundry receivables	4,853	2,965	27	292
Staff loan	548	12	–	7
Deposits	1,021	1,836	94	142
Total trade and other receivables	87,012	86,590	28,667	18,284
Add: Cash and cash equivalents (Note 20)	68,284	41,890	8,208	5,632
Total loans and receivables	155,296	128,480	36,875	23,916

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

Amounts due from subsidiaries

The non-trade amounts due from subsidiaries and related parties are unsecured, interest free and repayable on demand.

In 2009, the loans to subsidiaries are unsecured, repayable on demand and bear interest at a range of 3.25% to 8.76 % per annum.

In 2008, the loan to a subsidiary was unsecured, repayable on demand and bore interest at a range of 6.17% to 8.92% per annum.

All amounts with subsidiaries are to be settled in cash.

Receivables that are past due but not impaired

The Group and Company have trade receivables amounting to $13,816,000 (2008: $18,514,000) and $3,061,000 (2008: $1,606,000) respectively, that are past due at end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at end of the reporting period is as follows:

	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Trade receivables past due:				
Less than 30 days	8,208	12,865	1,714	1,212
30 to 60 days	3,149	3,673	1,016	284
61 to 90 days	1,088	287	331	106
91 to 150 days	1,290	401	–	4
More than 150 days	81	1,288	–	–
	13,816	18,514	3,061	1,606

Notes to the Financial Statements

31 December 2009 – Continued

19. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's and Company's trade receivables that are impaired at end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:-

	Group Individually impaired		Company Individually impaired	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Trade receivables				
– nominal amounts	6,700	5,932	103	847
Less: Allowance for impairment	(4,928)	(3,900)	(103)	(847)
	1,772	2,032	–	–

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Movements in allowance accounts:				
At 1 January	3,900	4,197	847	782
Charge for the year	2,138	1,090	–	173
Written off	(692)	(112)	(669)	(108)
Written back	(288)	(1,273)	(75)	–
Currency realignment	(130)	(2)	–	–
At 31 December	4,928	3,900	103	847

Trade receivables that are individually determined to be impaired at end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements
31 December 2009 – Continued

20. Cash and cash equivalents

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash at bank and in hand	64,775	32,568	8,208	4,182
Short-term deposits	3,509	9,322	–	1,450
	68,284	41,890	8,208	5,632

Short-term deposits

Short-term deposits are made for varying periods of between 1 day and 3 months depending on the immediate cash requirements of the Group, and earning interest at the respective short-term deposit rates, ranging from 1.35% to 2.88% per annum (2008: 0.02% to 3.33% per annum).

As at 31 December 2009, the Group and Company had available $74,700,000 (2008: $69,900,000) and $38,400,000 (2008: $41,300,000) of undrawn borrowing facilities respectively in respect of which all conditions precedent had been met.

Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts: -

	Group	
	2009	2008
	$'000	$'000
Cash at bank and in hand	64,775	32,568
Short-term deposits	3,509	9,322
Bank overdrafts, unsecured	–	(267)
	68,284	41,623
Restricted cash (Note 23)	(2,898)	(2,961)
	65,386	38,662

Bank overdrafts

Bank overdrafts are included in the determination of cash and cash equivalents because they form an integral part of the Group's cash management.

Bank overdrafts are unsecured, repayable on demand, interest bearing at a range of nil% per annum (2008: 4.25% to 6.00% per annum). Interest rates of bank overdrafts are repriced at monthly interval.

Notes to the Financial Statements

31 December 2009 – Continued

21. Trade and other payables

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Trade payables	37,535	33,578	2,347	3,717
Amounts due to subsidiaries				
– trade	–	–	18,689	10,737
– non-trade	–	–	495	487
Sundry creditors	11,852	7,402	2,388	1,061
Total trade and other payables	49,387	40,980	23,919	16,002
Add:				
– Bank overdrafts	–	267	–	–
– Other liabilities (Note 22)	20,741	19,232	2,901	3,298
– Loans and borrowings (Note 23)	71,529	87,964	21,420	30,193
Total financial liabilities carried at amortised cost	141,657	148,443	48,240	49,493

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days terms.

Amounts due to subsidiaries

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

All amounts with subsidiaries are to be settled in cash.

22. Other liabilities

	Group		Company	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Trade accrual	1,995	3,461	59	442
Accrued other operating expenses	6,467	5,147	989	787
Accrued directors' fees payable	326	254	326	254
Accrued staff & related costs	10,908	9,900	1,494	1,723
Accrual for VAT	1,010	266	–	–
Accrued interest payable	35	204	33	92
	20,741	19,232	2,901	3,298

Notes to the Financial Statements
31 December 2009 – Continued

23. Loans and borrowings

	Interest rates (Per annum)	Maturities	Group 2009 $'000	Group 2008 $'000	Company 2009 $'000	Company 2008 $'000
Current						
Unsecured short-term loans	2.74% – 8.76% (2008: 1.81% - 8.92%)	2010	47,153	77,569	16,753	30,159
Secured short-term loans	3.00% (2008: 3.00%)	2010	2,898	2,961	–	–
Unsecured bank loans	2.59% – 7.50% (2008: 6.00% - 7.78%)	2010	6,148	2,265	1,283	–
Unsecured bankers acceptance	1.55% – 3.70% (2008: 2.30% - 6.00%)	2010	1,475	1,006	69	34
			57,674	83,801	18,105	30,193
Non-current						
Unsecured bank loans	2.59% – 7.50% (2008: 6.10% – 7.78%)	2011 – 2014	13,855	4,163	3,315	–
			13,855	4,163	3,315	–
Total loans and borrowings			71,529	87,964	21,420	30,193

The subsidiaries' loans are secured by:-
(a) restricted cash of $2,898,000 (2008: $2,961,000);
(b) corporate guarantee given by the Company.

24. Derivatives

The Group has the following outstanding forward currency contracts as at 31 December :

Group	2009 Notional Amount $'000	2009 Assets $'000	2009 Liabilities $'000	2008 Notional Amount $'000	2008 Assets $'000	2008 Liabilities $'000
Forward currency contracts, representing total financial liabilities held for trading	3,506	–	–	680	–	29

Forward currency contracts are entered by a subsidiary to hedge the receivables denominated in USD.

Notes to the Financial Statements

31 December 2009 – Continued

25. Deferred taxation

Deferred income tax as at 31 December relates to the following:

	Group				Company	
	Consolidated Statements of Financial Position		Consolidated Income Statement		Statement of Financial Position	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Deferred tax assets	775	802			–	–
Deferred tax liabilities	(3,285)	(3,194)			(627)	(522)
Net deferred tax	(2,510)	(2,392)			(627)	(522)
Deferred tax assets						
Unabsorbed capital allowances	1,989	487			287	–
Unutilised tax losses	493	2,211			–	–
Others	125	535			43	–
	2,607	3,233	626	(1,022)	330	–
Deferred tax liabilities						
Differences in depreciation	(4,376)	(5,300)			(957)	(522)
Others	(741)	(325)			–	–
	(5,117)	(5,625)	(504)	1,722	(957)	(522)
Net deferred tax	(2,510)	(2,392)			(627)	(522)
Net deferred tax expense/(credit)			122	700		

The Group has estimated tax losses and unabsorbed capital allowance and reinvestment allowance of approximately $11,326,000 (2008: $2,241,000), $12,182,000 (2008: $12,661,000) and $7,588,000 (2008: $8,315,000) respectively that are available for offset against future taxable profits of the Group which no deferred tax asset is recognised due to uncertainty of its recoverability. The utilisation of these amounts is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences. The deferred tax assets are recognised in view of the foreseeable future taxable profit based on management forecast. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised temporary differences relating to investments in subsidiaries

At end of the reporting period, no deferred tax liability (2008: $nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Company is able to control the dividend policy of the subsidiaries.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statement in respect of 2009 (Note 11). There is no proposed but not recognised dividend in respect of 2008.

Notes to the Financial Statements
31 December 2009 – Continued

26. Share capital

	Group and Company			
	2009		2008	
	Number of shares '000	$'000	Number of shares '000	$'000
Issued and fully paid:-				
At 1 January	735,643	265,146	735,643	265,146
Issued during the year				
Issued for RSP	5,437	3,097	–	–
At 31 December	741,080	268,243	735,643	265,146

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has employee share award plans under which shares would be issued to employees of the Group upon certain conditions being met. The details of these conditions are included in Note 30.

27. Other reserves

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Statutory reserve [(a)]	5,562	5,149	–	–
Foreign currency translation reserve [(b)]	(4,623)	232	–	–
Restricted Share Plan reserve [(c)]	1,990	4,341	1,990	4,341
Reserve on consolidation [(d)]	42	42	–	–
	2,971	9,764	1,990	4,341

(a) Statutory reserve

	Group	
	2009 $'000	2008 $'000
At 1 January	5,149	4,213
Transfer from revenue reserve	498	733
Currency realignment	(85)	203
At 31 December	5,562	5,149

In accordance with laws and regulations in the People's Republic of China ("PRC"), a portion of the profits of the Group's subsidiary established in China has been transferred to statutory reserve, which is restricted as to the use.

Notes to the Financial Statements

31 December 2009 – Continued

27. Other reserves (cont'd)

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	2009 $'000	2008 $'000
At 1 January	232	(10,317)
Net effect of exchange differences	(4,855)	10,549
At 31 December	(4,623)	232

(c) Restricted Share Plan reserve

Restricted Share Plan reserve represents the equity-settled share awards granted to employees (Note 30). The reserve is made up of cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share awards, and is reduced by the expiry or release of such shares.

	Group and Company	
	2009 $'000	2008 $'000
At 1 January	4,341	2,609
Grant of equity-settled share awards	746	1,732
Issue of shares (RSP)	(3,097)	–
At 31 December	1,990	4,341

(d) Reserve on consolidation

	Group	
	2009 $'000	2008 $'000
At 1 January and 31 December	42	42

The reserve on consolidation is related to the acquisition of additional 13% equity interest in Sunningdale Tech (Ind) Pte Ltd in 2007.

Notes to the Financial Statements

31 December 2009 – Continued

28. Commitments

(a) Capital commitments

Capital expenditure contracted for as at end of the reporting period but not recognised in the financial statements:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Commitments in respect of purchase of				
– plant & machinery	1,329	318	47	–
– office equipment	65	–	–	–
– leasehold land & building	436	4,012	–	–
	1,830	4,330	47	–

(b) Operating lease commitments – As lessee

The Group and the Company have entered into commercial leases principally for land rent, office, production floor and warehouse and equipment with lease terms of between 1 to 50 years. Operating lease expenses recognised for the year are as follows:-

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Operating lease expenses	8,140	6,783	1,954	2,100

No contingent rent (2008: $nil) was paid during the year.

Future minimum rentals under non-cancellable operating leases are as follows:

Within one year	7,279	6,688	1,669	1,640
After one year but not more than five years	9,111	9,735	709	1,546
More than five years	2,313	2,667	1,901	1,961
	18,703	19,090	4,279	5,147

The above operating leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group's and the Company's activities concerning dividends, additional debt or entering into other leasing agreement.

Certain leases include renewal options for additional lease period of 1 year at rental rates to be based on negotiations and exchange options to exchange for the relevant equipment under lease 2 years after lease commencement.

28. Commitments (cont'd)

(c) Operating lease commitments – As lessor

In the prior year, the Group leased its plant and machinery under operating lease arrangements, with the leases negotiated for terms of three years.

At end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	Group	
	2009 **$'000**	**2008** **$'000**
Within one year	91	–
After one year but not more than five years	19	–
	110	–

29. Contingent liabilities

Corporate Guarantees

During the financial year, the Company guaranteed the following for its subsidiaries:

(i) Banking facilities for Podoyo Plastic Industries (M) Sdn Bhd, up to a limit of $10,708,000 (2008: $10,862,000). At 31 December 2009, $3,285,000 (2008: $5,269,000) had been drawn down under the facilities, of which $1,485,000 (2008: $1,910,000) and $1,800,000 (2008: $3,359,000) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

(ii) Unlimited corporate guarantee for Chi Wo Plastic Moulds Fty Limited's banking facilities. At 31 December 2009, $1,018,000 (2008: $450,000) had been drawn down under the facilities, of which $1,018,000 (2008: $450,000) and $nil (2008: $nil) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

(iii) Banking facilities for Chi Wo Plastic Moulds Fty Limited, up to a limit of $3,267,000 (2008: $nil). At 31 December 2009, $2,904,000 (2008: $nil) had been drawn down under the facilities, of which $871,000 (2008: $nil) and $2,033,000 (2008: $nil) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

(iv) Banking facilities for SDP Manufacturing Sdn Bhd, up to a limit of $4,849,000 (2008: $4,919,000). At 31 December 2009, $1,176,000 (2008: $1,609,000) had been drawn down under the facilities, of which $772,000 (2008: $805,000) and $404,000 (2008: $804,000) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

(v) Banking facilities for Sunningdale Precision Industries Ltd, up to a limit of $72,000,000 (2008: $48,947,000). At 31 December 2009, $30,402,000 (2008: $17,604,000) had been drawn down under the facilities, of which $26,725,000 (2008: $17,604,000) and $3,677,000 (2008: $nil) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

(vi) Banking facilities for Omni Mold Ltd, up to a limit of $3,500,000 (2008: $nil). At 31 December 2009, $3,500,000 (2008: $nil) had been drawn down under the facilities, of which $875,000 (2008: $nil) and $2,625,000 (2008: $nil) are reflected in the consolidated statement of financial position in current and non-current loans and borrowings respectively.

Notes to the Financial Statements
31 December 2009 – Continued

29. Contingent liabilities (cont'd)

Corporate Guarantees (cont'd)

(vii) Corporate guarantee given to a supplier of a subsidiary for machine purchased at cost of $nil (2008: $294,000).

(viii) Corporate guarantee given to a landlord of a subsidiary for operating lease at an amount of $1,792,000 (2008: $2,318,000).

30. Employee benefits expense

	Group	
	2009 $'000	**2008 $'000**
Salaries	66,155	76,681
CPF/ Pension Contribution	6,639	7,153
Share-based Payments	746	1,732
	73,540	85,566

Restricted Share Plan ("RSP")

The following table illustrates the number of, and movements in, RSP during the year.

	Number '000 2009	**Number '000 2008**
Outstanding at beginning of year	17,865	12,189
Granted during the year	6,725	6,694
Cancelled during the year	(1,016)	(1,018)
Released during the year	(5,437)	–
Outstanding at end of year	18,137	17,865

Terms of outstanding RSP at end of the reporting period are as follows:-

Grant date		
13 January 2006	259	5,526
06 October 2006	–	370
21 June 2007	4,190	4,520
24 August 2007	800	800
02 October 2008	6,163	6,649
06 April 2009	150	–
11 December 2009	6,575	–
	18,137	17,865

Notes to the Financial Statements

31 December 2009 – Continued

30. Employee benefits expense (cont'd)

Restricted Share Plan ("RSP") (cont'd)

The share awards of 7,711,000 shares granted in 2006, 6,266,000 shares granted in 2007, 6,694,000 shares granted in 2008 and 6,725,000 shares granted in 2009 were subject to the following conditions:-

(i) one third of allotted number of share awards shall be vested on the first anniversary of the date of grant; one third on the second anniversary of the date of grant; and the last third on the third anniversary of the date of grant;

(ii) all the share awards shall be delivered only on the third anniversary of the date of grant; and

(iii) that in order to receive this award, the participants must be in the employment of the Company or its group of companies, subject to the provisions as set out in the Summary of Rules of the RSP in the Circular to Shareholders dated 13 October 2004.

(iv) in the event employee leaves the employment of the Company or its group of companies, the share awards which have vested before the date of resignation shall be delivered on the third anniversary of the date of grant subject to length of service adjustment(*);

(v) in the event employee leaves the employment of the Company or its group of companies and joins competitors, the share awards which have vested before the date of resignation shall be delivered on the fifth anniversary of the date of grant subject to length of service adjustment(*); and

(vi) in the event employee retires from the workforce, the share awards which have been granted shall be vested as active employees and delivered on the third anniversary of the date of grant, provided the sum of his age and length of service is greater than 60 years, he has worked with the Company or its group of companies for at least ten years and he does not go to work for a competitor.

(vii)[#] in the event employee leaves the employment of the Company due to company's restructuring, the share awards which have vested before the date of retrenchment shall be delivered on the third anniversary of the date of grant.

Any waiver to these conditions would need the Remuneration Committee's final decision.

(*) Length of service adjustment does not apply to the share awards granted in 2008 and 2009
([#]) This condition is applied to the share awards granted in December 2009.

The weighted average fair value of the RSP granted on 13 Jan 2006 was estimated by an external valuer using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the share awards were granted.

The weighted average fair value of the RSP granted subsequently was estimated in-house by management using the last traded price at grant date less the present value of expected dividend during the vesting period as the valuation basis.

Notes to the Financial Statements
31 December 2009 – Continued

30. Employee benefits expense (cont'd)

Restricted Share Plan ("RSP") (cont'd)

The weighted average fair value of RSP as at the dates of grant was $0.11 (2008: $0.109). The inputs to the model used are shown below.

	2009	2008
Dividend yield ($)	0.004	0.004
Expected volatility (%)	Not applicable	Not applicable
Risk-free interest rate (%)	0.54 – 0.61	2.26
Expected life of option (months)	36	36
Last traded share price ($)		
02 October 2008	–	0.12
06 April 2009	0.05	–
11 December 2009	0.125	–

The expected life of the awards is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the share award grant were incorporated into the measurement of fair value.

The expenses recognised for the RSP for the Group for the financial year amounted to $746,000 (2008: $1,732,000). The carrying amount of the Group's employee share award reserve relating to the above equity-settled RSP is $1,990,000 (2008: $4,341,000).

31. Related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or ii) it is subject to common control or common significant influence.

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:-

(a) Sale and purchase of goods and services

	Group	
	2009 $'000	2008 $'000
Purchases from a company related to a director	8	47
Sale of motor vehicle to a director	–	100

Notes to the Financial Statements
31 December 2009 – Continued

31. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group 2009 $'000	Group 2008 $'000
Short-term employee compensation	2,567	4,099
CPF/Pension contribution	57	68
Share-based payments	521	974
Total compensation paid/payable to key management personnel	3,145	5,141
Comprise amounts paid/payable to:		
• Directors of the Company	1,577	3,224
• Other key management personnel	1,568	1,917
	3,145	5,141

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of each individual key management personnel and market trends.

1,600,000 (2008: 1,350,000) restricted shares were granted to 2 (2008: 2) executive directors of the Company but have yet to be released as at 31 December 2009. Similarly, 1,810,000 (2008: 1,390,000) numbers of restricted shares were also granted to 5 (2008: 5) key management personnel, other than directors of the Company, in 2009 but were not released as at 31 December 2009. 2,970,000 restricted shares granted in 2006 were released to the key management personnel in 2009.

Directors' remuneration of the Company pursuant to the Singapore Exchange Securities Trading Limited's Listing rules is as follows: -

	2009	2008
Number of Directors in remuneration bands		
– $750,000 to $1,000,000	–	2
– $500,000 to $749,999	1	2
– $250,000 to $499,999	1	–
– below $250,000*	7	5

* Include in 2009 is the pro rata directors' fee payable to Ng Boon Hoo who had resigned on 30 April 2009.

Notes to the Financial Statements

31 December 2009 – Continued

32. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The financial instruments comprise bank loans and overdrafts, and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. All of the Group's and the Company's short term loans and borrowings are contracted at intervals of less than 6 months.

The Group's policy in managing the interest cost is using floating rate debts. To manage this, the Group enters into short term loans and borrowings for working capital purposes which allow the interest rate to be repriced at interval not more than 6 months.

<u>Sensitivity analysis for interest rate risk</u>

In respect of 2009, if interest rates had been 350 basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been $1,699,000 lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. In respect of 2008, if interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's loss net of tax would have been $721,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Notes to the Financial Statements
31 December 2009 – Continued

32. Financial risk management objectives and policies (cont'd)

(a) Interest rate risk (cont'd)

The following tables set out the carrying amounts, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

2009	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Total $'000
Group						
Fixed rate						
Bank loans	(3,416)	(3,416)	(3,416)	(2,777)	–	(13,025)
Floating rate						
Cash assets	3,918	–	–	–	–	3,918
Bankers acceptance	(1,475)	–	–	–	–	(1,475)
Bank loans	(52,791)	(2,285)	(1,263)	(690)	–	(57,029)
Company						
Fixed rate						
Bank loans	(1,283)	(1,283)	(1,283)	(749)	–	(4,598)
Floating rate						
Cash assets	326	–	–	–	–	326
Bankers acceptance	(69)	–	–	–	–	(69)
Bank loans	(16,753)	–	–	–	–	(16,753)
2008						
Group						
Fixed rate						
Cash assets	1,450	–	–	–	–	1,450
Floating rate						
Cash assets	8,085	–	–	–	–	8,085
Bank overdrafts	(267)	–	–	–	–	(267)
Bankers acceptance	(1,006)	–	–	–	–	(1,006)
Bank loans	(82,795)	(1,820)	(1,317)	(1,014)	(12)	(86,958)
Company						
Fixed rate						
Cash assets	1,450	–	–	–	–	1,450
Floating rate						
Cash assets	16	–	–	–	–	16
Bankers acceptance	(34)	–	–	–	–	(34)
Bank loans	(30,159)	–	–	–	–	(30,159)

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above tables are not subject to interest rate risk. The interest rates are disclosed in the relevant notes for the financial instruments.

Notes to the Financial Statements

31 December 2009 – Continued

32. Financial risk management objectives and policies (cont'd)

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in currency other than the respective functional currencies of Group entities, primarily, Singapore Dollar (SGD), Malaysian Ringgit (MYR), Renminbi (RMB), Hong Kong Dollar (HKD) and Mexican Pesos (MXP). The foreign currencies in which these transactions are denominated are mainly US Dollar (USD). Approximately 86% (2008: 89%) of the Group's sales are denominated in foreign currencies. The Group's trade receivable and trade payable balances at end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At end of the reporting period, such foreign currency balances (mainly in USD) amount to $17,613,000 (2008: $13,344,000) and $2,373,000 (2008: $3,712,000) for the Group and the Company respectively.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia and People's Republic of China ("PRC").

The Group has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following the good market practices. In addition to management's efforts to mitigate risk by way of natural hedging through the Group's foreign currency borrowings, the Group had also entered into forward currency contracts during the year.

Sensitively analysis of foreign currency risk

The following table demonstrates the sensitivity to the Group's profit/(loss) net of tax to a reasonably possible change in the USD, HKD and RMB exchange rates the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Profit net of tax 2009 $'000	Loss net of tax 2008 $'000
		(Decrease)/Increase	
USD/SGD	- strengthened 3% (2008: 6%)	(387)	(1,048)
	- weakened 3% (2008: 6%)	387	1,048
USD/RMB	- strengthened 2% (2008: 9%)	(197)	(735)
	- weakened 2% (2008: 9%)	197	735
HKD/SGD	- strengthened 3% (2008: 6%)	(709)	(907)
	- weakened 3% (2008: 6%)	709	907
RMB/SGD	- strengthened 4% (2008: 3%)	(519)	(212)
	- weakened 4% (2008: 3%)	519	212

Notes to the Financial Statements
31 December 2009 – Continued

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables (including related parties balances) and investments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Credit risk on cash balances is limited because the counter-parties are banks with acceptable credit ratings.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade at end of the reporting period is as follow:

	Group			
	2009		2008	
	$'000	%	$'000	%
Asia Pacific	21,399	27	22,130	27
People's Republic of China	35,097	43	34,981	43
Europe	11,949	15	9,974	12
USA	8,264	10	9,400	11
Other countries	3,881	5	5,292	7
	80,590	100	81,777	100
Automotive	31,248	39	31,083	38
Consumer/IT and Telecommunications	45,592	56	47,200	58
Healthcare	3,750	5	3,494	4
	80,590	100	81,777	100

There is concentration of credit risk with respect to trade receivables as the Group has approximately 55% (2008: 56%) due from 5 major customers group who are established multi-national companies. Except where specifically identified as impaired, these debtors are creditworthy and have reasonable payment record with the Group.

Notes to the Financial Statements

31 December 2009 – Continued

32. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont')

Credit risk concentration profile (cont'd)

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. Information regarding financial assets that are either past due or impaired is disclosed in "Trade and other receivables" (Note 19).

(d) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and Company's objective is to maintain a balance of continuity of funding and flexibility.

The Group's and the Company's liquidity risk management policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liability requirements in the short and longer term. Undrawn facilities are disclosed in Note 20.

The table below summaries the maturity profile of the Group's and the Company's financial liabilities at end of the reporting period based on contractual undiscounted repayment obligations:-

	2009			2008		
	1 year or less $'000	1 to 5 years $'000	Total $'000	1 year or less $'000	1 to 5 years $'000	Total $'000
Group						
Financial assets:						
Trade and other receivables	87,012	–	87,012	86,590	–	86,590
Cash and cash equivalents	68,284	–	68,284	41,890	–	41,890
Total undiscounted financial assets	155,296	–	155,296	128,480	–	128,480
Financial Liabilities:						
Trade and other payables	49,387	–	49,387	40,980	–	40,980
Other liabilities	20,741	–	20,741	19,232	–	19,232
Bank overdrafts	–	–	–	267	–	267
Loans and borrowings	58,520	14,782	73,302	83,801	4,163	87,964
Total undiscounted financial liabilities	128,648	14,782	143,430	144,280	4,163	148,443
Total net undiscounted financial assets/ (liabilities)	26,648	(14,782)	11,866	(15,800)	(4,163)	(19,963)

Notes to the Financial Statements

31 December 2009 – Continued

32. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	2009 1 year or less $'000	2009 1 to 5 years $'000	2009 Total $'000	2008 1 year or less $'000	2008 1 to 5 years $'000	2008 Total $'000
Company						
Financial assets:						
Trade and other receivables	28,667	–	28,667	18,284	–	18,284
Cash and cash equivalents	8,208	–	8,208	5,632	–	5,632
Total undiscounted financial assets	36,875	–	36,875	23,916	–	23,916
Financial Liabilities:						
Trade and other payables	23,919	–	23,919	16,002	–	16,002
Other liabilities	2,901	–	2,901	3,298	–	3,298
Loans and borrowings	18,306	3,536	21,842	30,193	–	30,193
Total undiscounted financial liabilities	45,126	3,536	48,662	49,493	–	49,493
Total net undiscounted financial assets/ (liabilities)	(8,251)	(3,536)	(11,787)	(25,577)	–	(25,577)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the corporate guarantees are allocated to the earliest period in which the guarantee could be called.

	2009 1 year or less $'000	2009 1 to 5 years $'000	2009 Total $'000	2008 1 year or less $'000	2008 1 to 5 years $'000	2008 Total $'000
Company						
Corporate guarantees	31,746	12,331	44,077	21,063	6,481	27,544

Notes to the Financial Statements
31 December 2009 – Continued

33. Fair value of financial instruments

A. Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities, and
- Level 2 – Inputs other than quote prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Inputs for asset or liability that are not based on observable market on observable market data (unobservable inputs)

As at 31 December 2009, the Group's financial instruments carried at fair value include an available-for-sale financial asset amounting to $1,000 (Note 15) which is classified under Level 1 and forward currency contracts amounting to $nil (Note 24) which is classified under Level 2. The Group does not have any financial instruments carried at fair value classified under Level 3.

Determination of fair value

Available-for-sale financial asset (Note 15): Fair value is determined directly by reference to their published market price at the financial position date.

Forward currency contracts (Note 24): Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Current trade and other receivables and payables, Non-current other receivables at floating rate (Note 19 and 21), Accrued operating expenses (Note 22) and Non-current loans and borrowings at floating rate (Note 23).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

C. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

Determination of fair value

Long-term borrowings (Note 23)

The fair values of long-term borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or leasing arrangements at the reporting date.

There are no material differences between carrying amounts and the fair values of long-term borrowings for the current and previous financial years.

Notes to the Financial Statements
31 December 2009 – Continued

34. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Singapore Stock Exchange it has to have share capital of at least a free float of at least 10% of the shares.

The management manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the management may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2009 and 31 December 2008.

As disclosed in Note 27(a), a subsidiary of the Group is required by the laws and regulations of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2009 and 2008.

The management monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio less than 40% (2008: 40%). The Group includes within net debts, bank overdrafts, loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent less intangible assets.

	Group	
	2009	**2008**
	$'000	**$'000**
Loans and borrowings	71,529	87,964
Bank overdrafts	–	267
Trade and other payables	49,387	40,980
Less: Cash and short term deposits	(68,284)	(41,890)
Net debt	52,632	87,321
Equity attributable to the owners	244,125	237,732
Less: Intangible assets	(29,964)	(29,967)
Total capital	214,161	207,765
Capital and net debt	266,793	295,086
Gearing ratio	19.7%	29.6%

Notes to the Financial Statements

31 December 2009 – Continued

35. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

i. The Automotive segment produces mainly faceplates for automotive audio systems and climate controls, speediometers/clusters, steering switches, exterior antenna covers, etc.

ii. The Healthcare segment produces mainly scoops, caps, drug delivery and diagnostic devices.

iii. The Consumer/IT and telecommunications segment produces mainly IT, consumer and telecommunication products including mobile phones, cordless phones, inkjet cartridge, etc.

iv. The Mould Fabrication segment designs and manufactures the moulds used in the manufacturing of plastic injection parts

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

2009	Automotive $'000	Consumer/IT and Telecommu-nications $'000	Healthcare $'000	Mould Fabrication $'000	Adjustment/ Elimination $'000	Notes	Per consolidated financial statements $'000
Revenue	87,054	173,606	13,830	99,204	–		373,694
Results:							
Depreciation	(6,228)	(12,421)	(989)	(7,098)	–		(26,736)
Interest income	39	61	–	17	–		117
Property, plant and equipment written off	(21)	(43)	(3)	(25)	–		(92)
Impairment loss on plant and equipment	(1,108)	(570)	–	(22)	–		(1,700)
Other non-cash expenses	(2,943)	(703)	(64)	(472)	–	A	(4,182)
Segment (loss)/profit	(24,692)	24,311	732	19,491	(3,763)	B	16,079
Assets:							
Additions to non-current assets	4,363	8,700	693	4,971	–		18,727
Segment assets	88,029	175,551	13,985	100,315	31,483	C	409,363
Segment liabilities	18,266	36,427	2,902	20,816	86,827	D	165,238

Notes to the Financial Statements
31 December 2009 – Continued

35. Segment information (cont'd)

2008	Automotive $'000	Consumer/IT and Telecommu-nications $'000	Healthcare $'000	Mould Fabrication $'000	Adjustment/ Elimination $'000	Notes	Per consolidated financial statements $'000
Revenue	99,930	162,013	6,135	96,937	–		365,015
Results:							
Depreciation	(7,164)	(11,614)	(440)	(6,949)	–		(26,167)
Interest income	108	370	–	21	–		499
Property, plant and equipment written off	(51)	(87)	–	(50)	–		(188)
Impairment loss on goodwill	–	–	–	–	(95,000)		(95,000)
Other non-cash expenses	(477)	(195)	(35)	(491)	–	A	(1,198)
Segment (loss)/profit	(16,803)	7,163	(796)	12,243	(97,971)	B	(96,164)
Assets:							
Additions to non-current assets	7,680	12,451	471	7,449	–		28,051
Segment assets	101,861	165,143	6,254	98,810	31,480	C	403,548
Segment liabilities	17,564	28,476	1,078	17,039	101,659	D	165,816

Notes

A. Other non-cash expenses consist of share based payments, inventories written-down, and impairment of financial assets as presented in the respective notes to the financial statements.

B. The following items are added to/(deducted from) segment (loss)/profit to arrive at profit/(loss) before tax presented in the consolidated income statement :

	2009 $'000	2008 $'000
Finance cost	3,817	2,971
Fair value gain on investment property	(54)	–
Impairment loss on goodwill	–	95,000
	3,763	97,971

C. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the statement of financial position :

	2009 $'000	2008 $'000
Investment property	744	711
Intangible assets	29,964	29,967
Deferred tax assets	775	802
	31,483	31,480

Notes to the Financial Statements
31 December 2009 – Continued

35. Segment information (cont'd)

Notes (cont'd)

D. The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the statement of financial position :

	2009 $'000	2008 $'000
Bank overdrafts	–	267
Loans and borrowings	71,529	87,964
Tax payable	12,013	10,234
Deferred tax liabilities	3,285	3,194
	86,827	101,659

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Singapore & Malaysia	102,229	111,943	50,555	55,716
China & Hong Kong	155,768	127,305	105,704	111,407
America	32,854	37,153	–	–
Europe	49,848	40,277	–	–
Others	32,995	48,337	8,193	10,316
	373,694	365,015	164,452	177,439

Non-current assets information presented above consist of property, plant and equipment and investment property as presented in the statement of financial position.

Information about major customers

Revenue from two major customers amount to $143,990,000 (2008: $116,358,000), arising from sales by the Consumer/IT & Telecommunications and Mould Fabrication segments.

36. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the directors on 5 April 2010.

Substantial Shareholders
as at 18 March 2010

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	175	2.98	78,694	0.01
1,000 - 10,000	2,518	42.94	13,878,838	1.87
10,001 - 1,000,000	3,116	53.14	252,461,348	34.07
1,000,001 AND ABOVE	55	0.94	474,660,763	64.05
TOTAL	5,864	100.00	741,079,643	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UHLMANN STEVEN KENT	114,045,125	15.39
2	KIM ENG SECURITIES PTE. LTD.	39,008,450	5.26
3	HALDUN TASHMAN AND EMINE NIHAL TASHMAN	37,748,375	5.09
4	CITIBANK NOMINEES SINGAPORE PTE LTD	33,579,753	4.53
5	DBS NOMINEES PTE LTD	19,850,997	2.68
6	OCBC SECURITIES PRIVATE LTD	19,663,131	2.65
7	LIU KIN KEUNG	14,588,389	1.97
8	NEO AGE SENG	13,052,300	1.76
9	CIMB-GK SECURITIES PTE. LTD.	12,649,877	1.71
10	UNITED OVERSEAS BANK NOMINEES PTE LTD	12,351,020	1.67
11	PHILLIP SECURITIES PTE LTD	10,706,455	1.44
12	OVERSEA-CHINESE BANK NOMINEES PTE LTD	10,000,000	1.35
13	STEVEN TAN CHEE CHUAN	10,000,000	1.35
14	ASSET CONCEPT INVESTMENTS LIMITED	9,080,883	1.23
15	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,575,788	1.16
16	LIAW HIN HAO	8,561,000	1.16
17	LIM & TAN SECURITIES PTE LTD	8,142,966	1.10
18	KHOO BOO HOR	7,752,413	1.05
19	OCBC NOMINEES SINGAPORE PTE LTD	5,579,197	0.75
20	UOB KAY HIAN PTE LTD	5,576,322	0.75
	TOTAL	400,512,441	54.05

The percentage of shareholdings in the hands of the public is 72.15%. Therefore, Rule 723 of the Listing Manual has been complied with.

Substantial Shareholders

as at 18 March 2010

	No. of Ordinary Shares				
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**	**Total interest %**
Steven Uhlmann	114,045,125	15.39	-	-	15.39
Haldun Tashman and Emine Nihal Tashman	37,748,375	5.09	-	-	5.09

Notice of Annual General Meeting
as at 18 March 2010

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at the Suntec Singapore, International Convention & Exhibition Centre, Meeting Room 311-312 , Level 3, 1 Raffles Boulevard , Suntec City, Singapore 039593, on Thursday, 29 April 2010 at 4.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31 December 2009 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a Final Dividend of 0.4 cents per share for the year ended 31 December 2009. (2008: nil) **(Resolution 2)**

3. To approve the Directors' fees of S$325,667/- for the year ended 31 December 2009. (2008: S$254,000/-). **(Resolution 3)**

4. To re-elect the following Directors who retire by rotation under Article 91 of the Company's Articles of Association: -

   (i) Mr Koh Boon Hwee **(Resolution 4)**
   (ii) Mr Gabriel Teo Chen Thye **(Resolution 5)**

   [Note: Mr Gabriel Teo Chen Thye, upon re-election, shall remain as a member of Audit and Nominating Committees. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Ltd ("SGX-ST)]

5. To re-appoint Mr Steven Tan Chee Chuan as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50. **(Resolution 6)**

   [Note: Mr Steven Tan Chee Chuan, upon re-appointment, shall remain as the Chairman of the Remuneration Committee and a member of the Audit Committee. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST]

6. To re-appoint Mr Kaka Singh as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50. **(Resolution 7)**

   [Note: Mr Kaka Singh, upon re-appointment, shall remain as the Chairman of the Audit Committee. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST]

7. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, the following resolutions as Ordinary Resolutions:

8. **Authority to issue Shares**

   "THAT pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares and convertible securities in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

Notice of Annual General Meeting

as at 18 March 2010 – Continued

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

Provided that:

(1) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall, (a) in the case of a renounceable rights issue, not exceed 100% of the total number of issued shares (excluding treasury shares), and (b) in all other cases, shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 9)**

9. **Authority to allot and issue new shares other than on a pro-rata basis to shareholders at a discount exceeding 10% but not more than 20%**

"That, conditional upon the passing of Resolution 9 above, but without limiting the effect of the authority in Resolution 9 above, authority be and is hereby given to the Directors to issue new shares and convertible securities in the capital of the Company (whether in pursuance of any offer, agreement or option made or granted by the Directors or otherwise) other than on a pro-rata basis to shareholders at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price may represent a discount exceeding 10% but not more than 20% (or such other discount as may be permitted by the SGX-ST from time to time) to the price per share determined in accordance with the requirements of the SGX-ST."

(Resolution 10)

Notice of Annual General Meeting
as at 18 March 2010

10. **Authority to allot and issue shares pursuant to Sunningdale Tech Share Option Scheme ("STL ESOS"), Sunningdale Tech Restricted Share Plan ("STL RSP") and Sunningdale Tech Performance Share Plan ("STL PSP")**

That:-

(a) approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the STL ESOS and/or to grant share awards in accordance with the provisions of the STL RSP and/or the STL PSP; and

(b) approval be and is hereby given to the Directors to exercise full powers of the Company to issue, allot or otherwise dispose of shares in the Company as may be required to be issued, allotted or disposed, in connection with or pursuant to the exercise of the options granted under the STL ESOS and/or such number of shares as may be required to be issued or allotted pursuant to the vesting of awards under the STL RSP and/or the STL PSP.

Provided that the aggregate number of shares to be issued and allotted pursuant to the STL ESOS, the STL RSP and the STL PSP shall not exceed 15 percent of the total number of issued shares of the Company from time to time. **(Resolution 11)**

11. **Renewal of Mandate for Share Purchase**

That:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Cap 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

    (a) market purchase(s) on the SGX-ST; and/or

    (b) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

    and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

    (a) the date on which the next Annual General Meeting of the Company is held; and

    (b) the date by which the next Annual General Meeting of the Company is required by law to be held;

Notice of Annual General Meeting
as at 18 March 2010 – Continued

(3) In this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs after the relevant five days period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(b) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution. **(Resolution 12)**

12. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

DOROTHY HO
Company Secretary

Dated: 14 April 2010

Notice of Annual General Meeting

as at 18 March 2010

NOTES:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is, entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The instrument appointing a proxy must be lodged at the registered office of the Company at 51 Joo Koon Circle, Singapore 629069 not less than 48 hours before the time appointed for the Annual General Meeting.

EXPLANATORY NOTES

(1) Resolution 9 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting to issue shares and convertible securities in the Company, without seeking any further approval from the shareholders at a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider in the interests of the Company. This proposed Resolution, if passed, will authorise and empower the Directors of the Company to issue up to 100% of the Company's issued shares in the case of a pro-rata renounceable rights issue. This is pursuant to one of the new measures introduced by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 20 February 2009 and which will be in effect until 31 December 2010.

(2) Resolution 10 proposed in item 9 above, if passed, will empower the Directors of the Company to issue shares in the capital of the Company other than on a pro-rata basis to shareholders of the Company at a price which shall represent not more than a 20% discount (or such other discount as may be permitted by the SGX-ST from time to time) to the price per share determined in accordance with the requirements of the SGX-ST, without seeking any further approval from shareholders in general meeting but within the limitation imposed by the Resolution. This is also pursuant to one of the new measures introduced by SGX-ST on 20 February 2009 and which will be in effect until 31 December 2010.

(3) Resolution 11 proposed in item 10 above, is to empower the Directors to grant options, allot and issue shares pursuant to the exercise of options under the STL ESOS and the vesting of the awards under STL RSP and STL PSP, provided that the aggregate number of shares to be issued under the STL ESOS, STL RSP and STL PSP does not exceed fifteen per cent. (15%) of the total number of issued shares of the Company from time to time.

(4) Resolution 12 proposed in item 11 above, is to renew the mandate to empower Directors of the Company to make purchases or otherwise acquire the Company's issued ordinary shares from time to time subject to and in accordance with the guidelines set out in the Addendum to the Shareholders, being an Addendum to the Annual Report of the Company for the year ended 31 December 2009, accompanying this Notice. This authority will expire at the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

Notice of Books Closure

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 7 May 2010 for the purpose of determining Members' entitlements to the Dividend to be proposed at the Annual General Meeting of the Company to be held on 29 April 2010.

Duly completed registrable transfer of shares in the Company (the"Shares") received up to the close of business at 5.00 p.m. on 6 May 2010 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 7 May 2010 will be entitled to such proposed Dividend.

The proposed Dividend, if approved at the Annual General Meeting, will be paid on 18 May 2010.

BY ORDER OF THE BOARD

DOROTHY HO
Company Secretary

Dated: 14 April 2010

Addendum to Shareholders

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Addendum.

1. INTRODUCTION

On 30 April 2009, the Company obtained shareholders' approval at the Annual General Meeting of the Company ("2009 AGM") to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued shares in the capital of the Company (the "Shares") ("Share Purchase Mandate") on the terms of the Share Purchase Mandate which has taken effect from the date of the 2009 AGM until the date of the forthcoming AGM to be held on 29 April 2010 or until it is varied or revoked by an ordinary resolution of shareholders in the general meeting, if so varied or revoked prior to the forthcoming AGM ("2010 AGM").

Since the approval of the renewal of the Share Purchase Mandate at the 2009 AGM, the Company has not purchased or acquired any Shares under the Share Purchase Mandate. Accordingly, the Directors are proposing to seek the approval of shareholders at the 2010 AGM for the renewal of the Share Purchase Mandate.

2. DEFINITIONS

In this Addendum, the following definitions apply throughout unless otherwise stated:

"Articles"	:	The Articles of Association of Sunningdale Tech Ltd.
"Award"	:	A contingent award of Shares granted under the RSP and/or the PSP.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore or as amended from time to time.
"Company"	:	Sunningdale Tech Ltd.
"Council"	:	The Securities Industry Council of Singapore.
"Directors"	:	The Directors of the Company for the time being.
"EPS"	:	Earnings per Share.
"FY 2009"	:	Financial year ended 31 December 2009.
"Latest Practicable Date"	:	8 March 2010 being the latest practicable date prior to the printing of this Annexure.
"Listing Manual"	:	The Listing Manual of the SGX-ST.
"Market Day"	:	A day on which the SGX-ST is open for trading in securities.
"New Shares"	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the STL RSP and/or the STL PSP.
"NTA"	:	Net tangible assets of the Company.
"NTA per Share"	:	Net tangible assets of the Company divided by the number of issued Shares.
"SGX-ST" or **"Singapore Exchange"**	:	Singapore Exchange Securities Trading Limited.

Addendum to Shareholders
– Continued

2. DEFINITIONS (CONT'D)

"Shareholders"	:	Registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Account are credited with the Shares.
"Share Plans"	:	The Sunningdale Tech Ltd Restricted Share Plan or STL RSP and Sunningdale Tech Ltd Performance Share Plan or STL PSP.
"Share Purchases"	:	The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate.
"Shares"	:	Ordinary shares in the share capital of the Company.
"STL PSP"	:	Sunningdale Tech Ltd Performance Share Plan, as modified or altered from time to time.
"STL RSP"	:	Sunningdale Tech Ltd Restricted Share Plan, as modified or altered from time to time.
"STL" or the **"Company"**	:	Sunningdale Tech Ltd.
"STL Group" or the **"Group"**	:	The Company and its subsidiaries.
"S$"**, **"$" or the **"cents"**	:	Singapore dollars and cents respectively.
"Takeover Code"	:	The Singapore Code on Take-overs and Mergers.
"%" or the **"per cent."**	:	Per centum or percentage.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Addendum between the listed amounts and the totals therefore are due to rounding.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for Share Purchase Mandate

The renewal of the Share Purchase Mandate will provide the Company the flexibility to undertake share purchases, when and if the circumstances permit, subject to market conditions, during the period when the Share Purchase Mandate is in force. A Share Purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The rationale for the Company to undertake the purchase of its issued Shares as previously stated in the Company's Addendum to Shareholders in the 2008 Annual Report is as follows:-

(a) In managing the business of the Group, management strives to increase Shareholders' value by improving, inter alia, the return on equity of the Group. Share Purchases at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

(b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash, which is in excess of the financial and possible investment needs of the Group to its Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, inter alia, the Company's share capital structure and its dividend policy.

(c) Share repurchase programmes help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholder confidence and employee morale.

(d) To the extent allowed by law, the Share Purchase Mandate may be used to purchase existing Shares to satisfy Awards granted under the Sunningdale Tech Restricted Share Plan and/or the Sunningdale Tech Performance Share Plan.

While the Share Purchase Mandate would authorise a purchase of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised and no purchase or acquisition of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.

The Share Purchase Mandate will also enable the Company to undertake purchases of Shares and to hold such purchased Shares in Treasury. Treasury shares may be used in the manner prescribed by the Companies Act. Details on the use of treasury shares are provided in paragraphs 3.4 below.

3.2 Authority and Limits on the Share Purchase Mandate.

The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2010 AGM, are substantially the same as previously approved by the Shareholders at the previous AGMs. For the benefit of the Shareholders, the authority and limits on the Share Purchase Mandate are as follows: -

3.2.1 Maximum Number of Shares

As at the Latest Practicable Date, the share capital of the Company comprised 741,079,643 issued Shares. The Company will only purchase or acquire Shares which are issued and fully paid-up. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of total issued Shares as at the date on which the Share Purchase Mandate is approved at the 2009 AGM.

Purely for illustrative purposes, on the basis of 741,079,643 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2010 AGM, not more than 74,107,964 Shares (representing 10% of the total issued Shares as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.2 Authority and Limits on the Share Purchase Mandate (Cont'd)

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the forthcoming AGM at which the renewal of the Share Purchase Mandate is approved up to:

(a) the date on which the next AGM is held or required by law to be held;

(b) the Share Purchases have been carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

whichever is the earlier.

3.2.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**") through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, effected pursuant to an equal access scheme or schemes for the purchase of Shares from the Shareholders.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an equal access scheme must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid, and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Additionally, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances; and

(iii) the information required under Rule 883(2), (3), (4) and (5) of the Listing Manual.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.2 Authority and Limits on the Share Purchase Mandate (Cont'd)

3.2.4 Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("Related Expenses")) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares must not exceed:

(a) in the case of a Market Purchase, 105 per cent of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase, 110 per cent of the Average Closing Price of the Shares,

in either case, excluding Related Expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, other Exchange immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs after the relevant five-day period; and "**Date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than 110 cent of the Average Closing Price of the Shares (excluding Related Expenses of the purchase or acquisition) for each Share) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 Status of Purchased Shares.

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to the Share will expire on cancellation unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are not held as treasury shares.

3.4 Treasury Shares Held by the Company.

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarized below:-

(a) <u>Maximum Holdings</u>

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares and the Company shall be entered in the Register of Members as the member holding those Shares.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.4 Treasury Shares Held by the Company (Cont'd)

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time :-

(i) sell the treasury shares for cash;
(ii) transfer the treasury shares for the purposes of or pursuant to any employees' share option or award scheme;
(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
(iv) cancel the treasury shares; or
(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

3.5 Source of Funds.

The Company will use its internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance the Company's purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

3.6 No Shares Purchased In the Previous 12 Months.

The Company did not purchase any Shares in the twelve (12) months preceding the Latest Practicable Date.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.7 Financial Effects

3.7.1 General

If the purchased Shares are cancelled, the issued share capital of the Company will be reduced by the corresponding total purchase price of the Shares purchased or acquired by the Company. If, on the other hand, the purchased Shares are not cancelled but held in treasury, then there will be no change in the Company's issued share capital. Where the consideration paid by the Company for the Share Purchase is out of profits, such consideration (excluding Related Expenses) will correspondingly reduce the amount available for the distribution of cash dividend by the Company. Where the consideration paid by the Company for the Share Purchase is out of capital, the amount available for the distribution of cash dividends will not be reduced.

The financial effects on the Company and the Group arising from Share Purchases will depend, inter alia, on the number of Shares purchased or acquired, the price paid for such Shares, the manner in which the purchase or acquisition is funded and whether the Shares are cancelled or held in treasury. It is, therefore, not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Purchase Mandate on the NTA and EPS.

The Directors do not propose to exercise the Share Purchase Mandate to the extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected. The Directors will be prudent in exercising the Share Purchase Mandate only to such extent which the Directors believe will enhance shareholders' value giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

3.7.2 Number of Shares that may be Acquired or Purchased

Based on 741,079,643 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2009 AGM, not more than 74,107,964 Shares (representing 10% of the total issued Shares as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

3.7.3 Maximum Price that may be paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 74,107,964 Shares at the Maximum Price of $0.144 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 74,107,964 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately $10,671,547.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 74,107,964 Shares at the Maximum Price of $0.150 for each Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 74,107,964 Shares excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately $11,116,195.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.7 Financial Effects (Cont'd)

3.7.4 Illustrative Financial Effects

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 3.7.1 and 3.7.2 above, and assuming that the Share Purchases are financed entirely out of the Company's distributable profit, the financial effects of:-

(a) the purchase of 74,107,964 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Purchase Mandate and held as treasury shares; and

(b) the purchase of 74,107,964 Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Purchase Mandate and cancelled;

on the audited consolidated financial statements of the Company and the Group for FY2009 are set out below :-

(a) Share Purchases made entirely out of capital and held as treasury shares

	Group			Company		
(S$'000)	**Before Share Buyback**	**After Share Buyback assuming Market Purchase**	**After Share Buyback assuming Off-Market Purchase**	**Before Share Buyback**	**After Share Buyback assuming Market Purchase**	**After Share Buyback assuming Off-Market Purchase**
Shareholders' fund	244,125	233,454	233,009	226,737	216,066	215,621
NTA[1]	214,161	203,490	203,045	226,737	216,066	215,621
Current assets	214,171	203,500	203,055	41,302	30,631	30,186
Current liabilities	148,098	148,098	148,098	47,894	47,894	47,894
Working capital	66,073	55,402	54,957	(6,592)	(17,263)	(17,708)
Total borrowings	71,529	71,529	71,529	21,420	21,420	21,420
Cash and short term deposits	68,284	57,613	57,168	8,208	(2,463)	(2,908)
Number of Shares [4]	741,079,643	741,079,643	741,079,643	741,079,643	741,079,643	741,079,643
Financial Ratios						
NTA per Share (cents)	28.90	27.46	27.40	30.60	29.16	29.10
EPS (cents)	1.43	1.43	1.43	0.96	0.96	0.96
Gearing ratio (times)[2]	0.29	0.31	0.31	0.09	0.10	0.10
Current ratio (times)[3]	1.45	1.37	1.37	0.86	0.64	0.63

Notes :

[1] NTA equals Shareholders' funds less intangible assets.

[2] Gearing ratio equals total borrowings divided by Shareholders' funds.

[3] Current ratio equals current assets divided by current liabilities,

[4] Based on 741,079,643 Shares in issue as at the Latest Practicable Date.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.7 Financial Effects (Cont'd)

3.7.4 Illustrative Financial Effects (cont'd)

(b) Share Purchases made entirely out of capital and cancelled

	Group			Company		
(S$'000)	**Before Share Buyback**	**After Share Buyback assuming Market Purchase**	**After Share Buyback assuming Off-Market Purchase**	**Before Share Buyback**	**After Share Buyback assuming Market Purchase**	**After Share Buyback assuming Off-Market Purchase**
Shareholders' fund	244,125	233,454	233,099	226,737	216,066	215,621
NTA[(1)]	214,161	203,490	203,045	226,737	216,066	215,621
Current assets	214,171	203,500	203,055	41,302	30,631	30,186
Current liabilities	148,098	148,098	148,098	47,894	47,894	47,894
Working capital	66,073	55,402	54,957	(6,592)	(17,263)	(17,708)
Total borrowings	71,529	71,529	71,529	21,420	21,420	21,420
Cash and short term deposits	68,284	57,613	57,168	8,208	(2,463)	(2,908)
Number of Shares [(4)]	741,079,643	666,971,679	666,971,679	741,079,643	666,971,679	666,971,679
Financial Ratios						
NTA per Share (cents)	28.90	30.51	30.44	30.60	32.40	32.33
EPS (cents)	1.43	1.59	1.59	0.96	1.07	1.07
Gearing ratio (times)[(2)]	0.29	0.31	0.31	0.09	0.10	0.10
Current ratio (times)[(3)]	1.45	1.37	1.37	0.86	0.64	0.63

Notes :

[(1)] NTA equals Shareholders' funds less intangible assets.

[(2)] Gearing ratio equals total borrowings divided by Shareholders' funds.

[(3)] Current ratio equals current assets divided by current liabilities,

[(4)] Based on 741,079,643 Shares in issue as at the Latest Practicable Date.

Shareholders should be aware that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the respective aforementioned assumptions, and historical FY2009 numbers, and are not necessarily representative of future financial performance. In addition, the actual impact will depend on the actual number and price of Shares to be acquired or purchased by the Company, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares to be acquired or purchased are cancelled or held in treasury.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.7 Financial Effects (Cont'd)

3.7.4 Illustrative Financial Effects (cont'd)

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

The Company may take into account both financial and non-financial factors (for example, stock market condition and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

3.8 Requirements in the Listing Manual

(a) The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.: (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase on an equal access scheme, on the second Market Day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

(b) The Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time(s). However, as the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:

   (i) at any time any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and

   (ii) in the case of Market Purchases, during the period commencing one month immediately before the announcement of the Company's half-year or full-year results, as the case may be, and (if applicable) the period of two weeks before the announcement of the Company's other interim results, as the case may be.

(c) The Listing Manual requires a company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed are held by public Shareholders. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 534,680,917 Shares in the hands of the public, representing approximately 72.15% of the issued Shares. Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares held by public Shareholders which would permit the Company to undertake purchases all acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Purchase Mandate, without adversely affecting the listing status of the Shares on the SGX-ST.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.9 Certain Take-over Code Implications

3.9.1 Obligations to Make a Take-over Offer

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("Rule 14'). Consequently, depending on the number of Shares purchased or acquired by the Company and the Company's total issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14.

3.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or undertaking (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the persons, *inter alia*, who will be presumed to be acting in concert, include (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

3.9.3 Effect of Rule 14 and Appendix 2

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent (30%) or more, or, if the voting rights of such Directors and their concert parties fall between thirty per cent (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorizing the proposed Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant of proposed Share Purchase Mandate are advised to consult their professional advisers before they acquire any Shares in the Company during the period when the proposed Share Purchase Mandate is in force.

Addendum to Shareholders
– Continued

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.9 Certain Take-over Code Implications (Cont'd)

3.9.3 Effect of Rule 14 and Appendix 2 (Cont'd)

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional adviser and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company.

3.10 Directors' and Substantial Shareholders' Interest

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the Directors and of the Substantial Shareholders in the Company before and after the purchase of Shares pursuant to the proposed Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of 10% of the issued ordinary share capital of the Company, and (ii) there is no change in the number of Shares held by the Directors and Substantial Shareholders or which they are deemed to be interested in, will be as follows:-

	Before Share Purchase (Number of Shares)			Before Share Purchase	After Share Purchase
Name of Director	**Direct Interest**	**Deemed Interest**	**Total Interest**	**%[1]**	**%[2]**
Koh Boon Hwee	26,238,960	110,040	26,349,000	3.56	3.95
Wong Chi Hung	-	9,080,883	9,080,883	1.23	1.36
Steven Uhlmann	114,045,125	-	114,045,125	15.39	17.10
Steven Tan Chee Chuan	10,000,000	-	10,000,000	1.35	1.50
Kaka Singh	396,270	-	396,270	0.05	0.06
Gabried Teo Chen Thye	339,660	-	339,660	0.05	0.05
Ong Sim Ho	-	-	-	-	-
Khoo Boo Hor	8,439,413	-	8,439,413	1.14	1.27
<u>Name of Substantial Shareholder</u>					
Steven Uhlmann	114,045,125	-	114,045,125	15.39	17.10
Haldun Tashman and Emine Nihal Tashman	37,748,375	-	37,748,375	5.09	5.66

Notes :-

[1] As a percentage of the total number of issued ordinary shares of the Company as at the Latest Practicable Date comprising 741,079,643 shares.

[2] As a percentage of the total number of issued ordinary shares of the Company comprising 666,971,679 shares (assuming that the Company purchases the maximum number of shares under the Share Purchase Mandate and not held in treasury).

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 12, being the Ordinary Resolution relating to the Share Purchase Mandate.

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SUNNINGDALE TECH LTD
(Company Registration No. 199508621R)
(Incorporated in the Republic of Singapore)

Proxy Form

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is sent to them at the request of their CPF Approved Nominees and is strictly FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____ (Name) of

(Address) ____

being a member/members of Sunningdale Tech Ltd hereby appoint :

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to vote for me/us on my/our behalf, at the 15th Annual General Meeting of the Company, to be held on 29 April 2010 at 4.00 p.m.and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to	For	Against
1.	Adoption of Reports and Accounts		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Mr Koh Boon Hwee		
5.	Re-election of Mr Gabriel Teo Chen Thye		
6.	Re-appointment of Mr Steven Tan Chee Chuan		
7.	Re-appointment of Mr Kaka Singh		
8.	Re-appointment of Auditors		
9.	Authority to Issue Shares		
10.	Authority to allot and issue new shares other than on a pro-rata basis to shareholders at a discount exceeding 10% but not more than 20%		
11.	Authority to allot and issue shares pursuant to Sunningdale Tech Share Option Scheme, Sunningdale Tech Restricted Share Plan and Sunningdale Tech Performance Share Plan		
12.	Renewal of Mandate for Share Purchase		

Signed this ____________________ day of ____________________ 2010.

	Total Number of Shares Held
In CDP Register	
In Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT : PLEASE READ NOTES OVERLEAF

Proxy Form

Notes :

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A proxy need not be a member of the Company.

4. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (and defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number. If you have ordinary shares registered in your name in the Register of Members of the Company, you should insert that number. If you have ordinary shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares held by you.

5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 51 Joo Koon Circle, Singapore 629069 not less than 48 hours before the time set for the Meeting.

6. The instrument appointing a proxy or proxies must be given under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. A body corporate which is a member may also appoint by resolution of its directors or other governing body an authorised representative or representatives, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote for and on behalf of such body corporate.

8. Where an instrument appointing a proxy is signed on behalf of the appointor or by an attorney the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject the instrument appointing a proxy and proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instruments of appointor specified in the instrument appointing a proxy or proxies.

10. In the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have the shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

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