Sunningdale Tech

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SUNNINGDALE TECH LTD AR2005

Sharpening Focus

SUNNINGDALE TECH LTD AR2005

1 JULY 2005 TO 31 DECEMBER 2005

CONTENTS

CONCEPT, DESIGN AND PRODCTION BY LEXISBRANDING.COM

VISION

To be recognised as a leading Asian tooling, plastics injection moulding and precision assembly company.

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.

MESSAGE FROM THE CHAIRMAN AND CEO

Dear Shareholders

The six-month period ended 31 December 2005 was a period of integration and consolidation in a rapidly changing operating environment. The shortened financial reporting period is the result of our decision to change our financial year end from 30 June to 31 December.

We began the period optimistically with a new name and logo for the enlarged Group, formed through the merger of two leading plastic precision engineering companies listed on the Singapore Exchange Main Board – Tech Group Asia Ltd and Sunningdale Precision Industries Ltd – which was completed in July 2005. However, this was to be just the start of a period in which we faced unanticipated challenges in our operating landscape. These developments – which were not foreseen prior to the merger – included weaknesses in the global automotive sector which are by now well documented and specific challenges in our Telecommunications business which has led to some missed opportunities.

However, as of 31 December 2005, we have completed the bulk of the integration work, and concluded a strategic review which sharpened our focus even more for us to truly emerge Bigger, Stronger and Better.

During the period under review, the senior management undertook a strategic review of not just the operating landscape described above but also the challenges facing the newly merged entity in integrating different systems and processes, four business segments, 7,000 employees and 25 manufacturing facilities across five countries on both sides of the Pacific.

Following the review, we have also standardised our policies, processes and reporting; streamlined our operations and strengthened our resource management functions; and set in place our Group-wide IT masterplan. We have also instituted tighter provisioning and write-offs which are reflected in the financial results before you. These include several one-time costs such as an inventory adjustment, an inventory provision for end-of-life ("EOL") projects, a write-off for tooling, a provision for doubtful debt and a write-off for merger costs.

Despite revenue rising 37.9% to a record $234.2 million in the July-December 2005 period compared to a year ago, on the back of top-line growth across all business segments, net profit attributable to shareholders halved to $10.9 million. Earnings per share declined to 1.48 cents compared to 3.20 cents for the same period a year ago while net asset value per share was 56.14

focus on sustainable future growth:
we have completed the bulk of the integration work, and concluded a strategic review which sharpened our focus even more for us to truly emerge Bigger, Stronger and Better.

KOH BOON HWEE
Chairman and CEO

we believe that our efforts have helped the Group lay a foundation for sustainable growth with a sharpened focus in the areas in which we aim to excel.

cents as at 31 December 2005, compared to 55.07 cents as at 30 June 2005. The weaker bottom-line performance reflected, among others, higher raw material prices and a number of one-off provisions and write-offs and the amortisation of customer-related intangibles. Without the one-off items and amortisation charge, our net profit attributable to shareholders would have been approximately $20.2 million.

Despite the lower net profit, we believe that our efforts during the six months under review have helped the Group lay a foundation for sustainable growth. Our new and dynamic team of senior managers is largely in place. In addition, we have also made substantial investments in fixed assets such as property, plant and equipment which have increased our overall capacity and will enable us to rapidly ramp-up production for new orders without the need for significant capital expenditure in the near-term. We will continue to look into the consolidation of our plants to further optimise our resources, although this will be somewhat paced by leases that we have already committed to.

Perhaps the most important result of the strategic review is a sharpened focus in the areas in which we aim to excel. We believe that strong engineering design and tooling capabilities are the key differentiators in the highly competitive plastic components industry. Having strong abilities in these two areas will provide us with the opportunity to be involved in the early stages of the product development cycle and provide us with better opportunities to proceed to volume production of the component.

In our bid to remain a regional leader in design, tooling and manufacture of precision plastic components, we will continue to focus on building up our engineering capabilities in these areas.

Looking forward, we continue to be optimistic about the potential of our four business segments – Automotive, Consumer/IT, Telecommunications and Medical – while recognising that most of the opportunities lie within the Automotive industry in which we continue to maintain strong relations with a diversified base of automotive customers.

For the current year ending 31 December 2006, we expect to see continued growth across all four of our business segments with continued demand for existing programmes and the expected launch of new programmes. With various projects in the pipeline, we expect to increase our overall capacity utilisation and resume growth in the latter half of the year.




ACKNOWLEDGMENTS

The Board would like to take this opportunity to recognise and thank the efforts of a number of people who have recently left us. In particular, I would like to thank Neo Age Seng, our former Chief Technology Officer and Alternate Director. I have personally enjoyed the many years I shared with Age Seng while he was with Omni Mold Ltd and Tech Group Asia Ltd, and will miss his insight and advice. The Board would like to express their appreciation to Age Seng for his past services and contributions to the Group and wish him success in his future endeavours.

The Board would also like to thank Fred Lim and Harry Boey for their services to the Group. Both Fred and Harry have been instrumental in helping the Group through the merger process and are leaving the Group having completed the integration process.

I would also like to take this opportunity to express my gratitude to my fellow Directors for their guidance and advice, to our business partners for their support, and to our management and 7,000 staff worldwide for all their hard work. It has been a challenging six months, but we believe that we are now better positioned to take on the opportunities being presented to us, and look forward to your continued support as we look to ramp up the business.

Lastly, I would like to thank you, our shareholders, for your confidence in us and for staying with us as we continue to build a better business.

Koh Boon Hwee
Chairman and CEO
March 2006

主席致词

截至2005年12月31日的六个月是本集团在一个急速变迁的营运环境中进行整合与巩固。由于我们把财政年度从6月30日改为12月31日,财务报告期因此被缩短了。

我集团是由科技集团亚洲有限公司和向阳精密工业有限公司,两家在新加坡交易所第一级股市挂牌的精密塑胶工程集团公司, 合并完成的。我们于2005年7月完成这两家集团公司合并的工作,使得扩充后的集团以一个全新的名称及标志乐观地迎接新财政年。但是,同时这是我集团在营运环境中遇到意想不到的挑战的开始。这些在合并之前始料不及的情势发展,包括至今已有记载的全球汽车工业的弱势及使我们错失一些良机的电信业的特殊挑战。

不过,我们已于2005年12月31日完成大部分的整合及策略检讨工作,使我们的焦点更加清晰。这一来,我们确实可以更大、更稳固及更佳的状态迎接挑战。

在这财政年,高级管理层不仅检讨了上述营运环境的策略,也检讨了新合并实体在整合太平洋两岸遍布五个国家的不同系统及程序、四个工业领域、七千名员工及二十五个生产设施时所面对的挑战。

随着检讨工作的完成,我们统一了政策、程序及报告方式;简化了运作以提高效率;加强了资源管理职能;并制定了集团的信息科技总蓝图。我们也实施了更严谨的准备金和注销规则,如财务报告所见。它们包括数项一次性的调整,例如库存调整;终期项目的库存准备金;机床工具的注销;呆帐准备金及合并成本的注销。

尽管和去年相比,2005年7月至12月间的营业额增加了37.9%,创下2亿3,420万元的新记录,且各业务领域取得顶线增长,股东的净盈利却下跌了一半,只达1,090万元。与去年同期的3.20分相比,每股盈利下滑至1.48分;与截至2005年6月30日的55.07分的每股净资产值相比,截至2005年12月31日的每股净资产值为56.14分。较弱的底线表现反映了更高的原料价格、数项一次性准备金和注销记录以及客户相关的无形资产的摊销等。若无一次性项目及摊销费,股东的净盈利则会是大约2,020万元。

尽管净盈利较低,我们相信我们在六个月的检讨期内所作的努力已为集团奠下持续增长的基础。朝气蓬勃的全新高级经理团

我们已完成大部分的整合及策略检讨工作,使我们的焦点更加清晰。这一来,我们确实可以更大、更稳固及更佳的状态迎接挑战。

队大致上已就位。此外,我们也在产业、厂房及设备等固定资产方面作出颇大的投资,这大大增强了我们的整体能力。在短期内,我们无须招致高额的资本开支也能迅速增加生产以满足新订单。我们将继续探讨合并厂房的途径,以进一步优化资源;但同一时候,这进度可因我们已签订的租约而受到影响。

或者我们可以说该策略检讨得出的关键结果是我们对于欲取得卓越表现的范围的焦点更加清晰了。

我们认为要在竞争激烈的塑胶元配件工业中独占鳌头, 就得具备强大的工程设计及模具制造能力。这两方面的优势将让我们有机会参与产品开发的初期工作, 之后有更大的机会大量生产有关的元配件。

当我们努力保持我们在精密塑胶元配件的设计、模具制造及生产塑胶元配件的区域领导地位的同时, 我们也将继续着重于巩固我们在这些方面的工程能力。

展望未来, 我们对四个工业领域–汽车、消费者/资讯科技、电信和医药的潜能继续持乐观态度。与此同时,我们也意识到汽车工业将带来最大的发展机会, 而我们将继续与广泛的汽车客户群维持稳固的友好关系。

截至2006年12月31日, 我们预计四个工业领域都将取得持续增长, 因为现有的项目需求将持续, 而我们也将推出新的项目。基于拟议中的各种项目,我们有望提高整体应用量并在下半年恢复增长。

鸣谢

董事会希望借此机会肯定并感谢曾为我们服务的同僚。我特别要感谢我们的前科技总监及替代董事Neo Age Seng先生。Age Seng在Omni Mold Ltd 和科技集团亚洲有限公司服务时, 我便和他共事。个人而言, 多年来他对事物的深入认识及宝贵意见让我获益良多, 我将想念这些日子。董事会对Age Seng为集团提供的服务和作出的贡献表示感激并祝他前程似锦。

董事会也要感谢Fred Lim 和 Harry Boey为集团提供的服务。Fred 和 Harry在合并过程中功不可没, 并在集团完成整合过程后,功成身退。

我也希望借此机会感谢诸位董事的指导及意见、业务伙伴的支持、管理层和全球各地七千名员工的努力。过去的六个月确实充满挑战, 但我们相信我们现在具备更大的能力把握眼前的机会。在我们使业务更上一层楼的当儿,我们期待您的持续支持。

最后, 我要感谢各位股东对我们的信心;在我们努力搞好业务的过程中, 对我们不离不弃。

许文辉
主席兼总裁
2006年3月

REVIEW OF THE PROFORMA FINANCIAL HIGHLIGHTS

The six-month period ended 31 December 2005 was a period of integration and consolidation in a challenging and dynamic operating environment. The shortened financial reporting period is the result of the Group's decision in November 2005 to change its financial year end from 30 June to 31 December.

Hence the following review of the Group's performance compares the actual results of the Group for the July to December 2005 period against the proforma results of the Group for the July to December 2004 period, assuming that the merger between Tech Group Asia Ltd and Sunningdale Precision Industries Ltd ("SPIL") had already taken place.

REVENUE

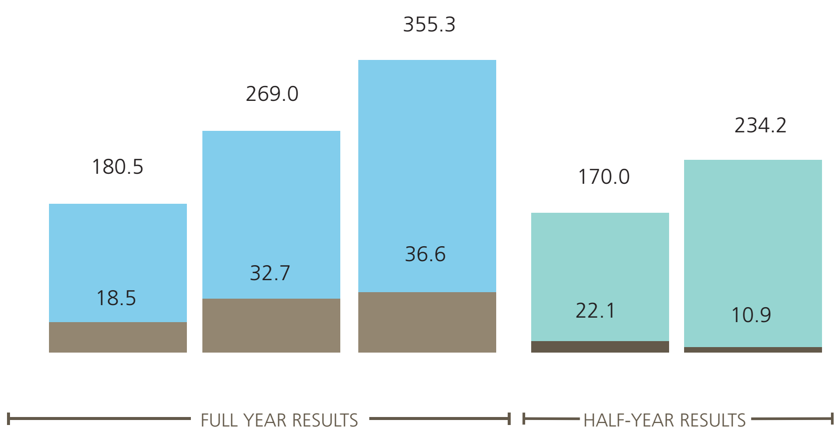
For the six months ended 31 December 2005, the Group recorded a 37.9% rise in revenue to $234.2 million from $170.0 million for the same period a year earlier, on the back of top-line growth across all business segments.

The higher revenue was achieved despite difficult operating conditions which included a slowdown of the global auto industry and missed opportunities in the Telecommunications business segment. The increased sales came as several new automotive projects were launched in Shanghai, output of plastic casings was increased for a leading handset manufacturer and new lines for inkjet cartridge moulding and assembly began mass production in the October-December 2005 quarter.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit for the July-December 2005 period decreased 10.4% to $47.1 million from $52.6 million for the same period a year earlier. Correspondingly, gross profit margin declined to 20.1% from 30.9% because of higher raw material costs, higher factory overheads due to a build-up in production capacity, pricing pressure from customers, lower capacity utilisation, and lower yields achieved at the start-up stage of several new programmes.

PROFORMA TURNOVER AND NET PROFIT



S$ MILLION	1 JUL 02 - 30 JUN 03 (P)	1 JUL 03 - 30 JUN 04 (P)	1 JUL 04 - 30 JUN 05 (P)	1 JUL 04 - 31 DEC 04 (P)	1 JUL 05 - 31 DEC 05 (A)
REVENUE	180.5	269.0	355.3	170.0	234.2
NET PROFIT	18.5	32.7	36.6	22.1	10.9

P - Proforma
A - Actual

REVENUE (FULL YEAR 1 JUL - 30 JUN)
REVENUE (HALF YEAR 1 JUL - 31 DEC)
NET PROFIT (FULL YEAR 1 JUL - 30 JUN)
NET PROFIT (FULL YEAR 1 JUL - 31 DEC)

IMPACT OF FRS103 ON PROFITABILITY

In accordance with FRS103 Business Combination accounting regulations, at the date of acquisition of SPIL, the Group needed to identify and separate the intangible assets from goodwill if the assets identified fall under the definition of FRS38 Intangible Assets.

Following a review of the Group's merger with SPIL, SPIL's "customer relationships" were identified as an "intangible asset". This led to an attribution of $12.6 million to customer-related intangibles with an estimated useful life of 3.5 years.

This amortisation of the customer-related intangibles will result in a non-cash charge over the 3.5 years.

For the six-month period under review, the Group charged $1.8 million to its accounts, and will charge $3.6 million to its accounts for the current and next two financial years (2006 to 2008).

$'million	Actual 1 Jul 05 - 31 Dec 05	Proforma 1 Jul 04 - 31 Dec 04	Change %
Revenue	234.2	170.0	37.9
Gross Profit	47.1	52.6	(10.4)
Profit Before Tax	14.1	26.0	(45.8)
Profit After Tax	10.9	22.1	(50.6)

$'million	Actual 1 Jul 05 - 31 Dec 05	Proforma 1 Jul 04 - 31 Dec 04
Gross Profit Margin (%)	20.1	30.9
Net Profit Margin (%)	4.7	13.0
Earning per Share - Cents	1.48	3.20

	31-Dec-05	30-Jun-05
Net Asset Value per Share - Cents	56.14	55.07

PROFITABILITY

The lower gross profit and non-cash impact from FRS103 contributed towards the lower overall profitability. In addition, the Group faced several one-time costs including an inventory adjustment, an inventory provision for end-of-life ("EOL") projects, a write-off of fixed assets associated with EOL projects, a write-off for tooling, a provision for doubtful debt and a write-off for merger costs, and higher depreciation and amortisation charges related to its build-up of production capacity.

As a result of the above-mentioned factors, overall net profit attributable to shareholders fell 50.6% to $10.9 million for the July-December 2005 period from $22.1 million for the corresponding period a year earlier. Net profit margin also declined to 4.7% from 13.0% for the corresponding period.

Excluding the one-time items, the provision for doubtful debts and the amortisation of customer-related intangibles, the Group would have achieved a net profit attributable to shareholders of approximately $20.2 million.

NET ASSET VALUE AND EARNINGS PER SHARE

Based on the weighted average number of ordinary shares in issuance, earnings per share fell to 1.48 cents per share for the July-December 2005 period compared with 3.20 cents for the corresponding period a year ago. Net asset value per share rose to 56.14 cents as at 31 December from 55.07 as at 30 June 2005.

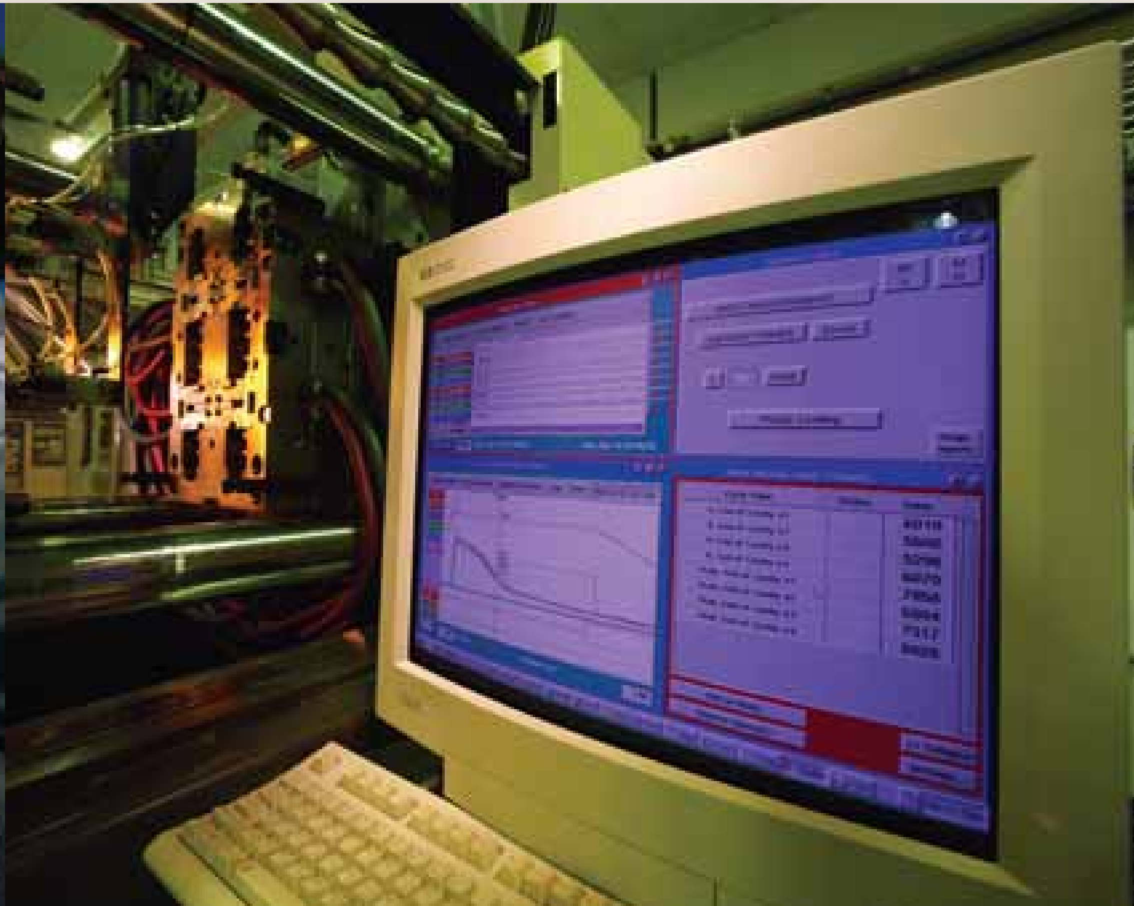
FINANCIAL POSITION

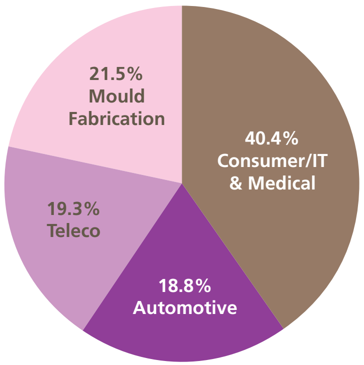
The Group's fixed assets rose to $193.3 million as at 31 December 2005 from $179.7 million as at 30 June 2005 due to the addition of property, plant and equipment to expand production capacity. The increase includes $13.8 million in depreciation charges incurred during the July-December 2005 period.

Trade and other receivables rose 12.2% to $106.8 million as at 31 December 2005 from $95.2 million as at 30 June 2005 in line with overall revenue growth.

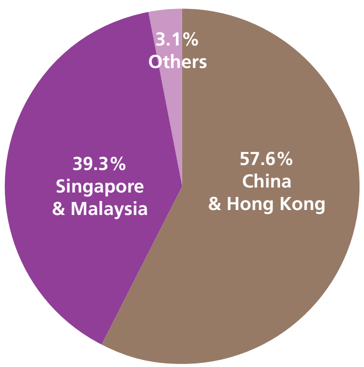
Trade and other payables declined 3.4% to $97.9 million as at 31 December 2005 from $101.3 million as at 30 June 2005 due to the repayment of accounts. Overall bank borrowings increased to $110.2 million as at 31 December 2005 from $91.0 million as at 30 June 2005 to finance the Group's purchase of fixed assets.

As at 31 December 2005, the Group held cash and cash equivalents of $50.9 million, an increase of $14.6 million over the amount held a year earlier. The movements in the consolidated cash flow statement were in line with the growth of the Group's business.





PERFORMANCE BY BUSINESS SEGMENTS



PERFORMANCE BY GEOGRAPHIC SEGMENTS

PERFORMANCE BY BUSINESS SEGMENTS

For July-December 2005, the Automotive business segment grew 68.2% to $44.1 million from $26.2 million for the corresponding period a year earlier, raising the segment's contribution to Group revenue to 18.8% from 15.4%. The increase in sales was mainly due to the launch of several new automotive projects in Shanghai.

Despite some missed opportunities, the Telecommunications business segment grew 20.7% to $45.1 million for the July-December 2005 period from $37.3 million over the same period a year ago, mainly due to increased output of plastic casings for a leading handset manufacturer. However, revenue contribution from the segment fell from 22.0% to 19.3% for the corresponding period.

The combined Consumer/IT and Medical business segments continued to be the main revenue generator accounting for 40.4% of the Group's revenue in the six-month period under review. For the July-December 2005 period, revenue for the combined segment grew 35.9% to $94.5 million from $69.6 million a year earlier. This was primarily due to new lines for inkjet cartridge moulding and assembly beginning mass production in the October-December 2005 quarter and from consumer printer casing business.

Mould fabrication continues to account for over 21.5% of the Group's revenue, with sales growing 37.5% to $50.5 million for the July-December 2005 period from $36.7 million a year earlier. This was mainly due to higher tooling sales across all business segments.

PERFORMANCE BY GEOGRAPHIC SEGMENTS

The Group has 25 manufacturing facilities located in Singapore, Malaysia, Indonesia, China and Mexico.

Operations in China and Hong Kong continued to contribute the bulk of the Group's revenues with contribution in the July-December 2005 period rising slightly to 57.6% from 55.7% for the same period a year earlier.

The Singapore and Malaysia operations continued to be the next most important revenue generating region, with contribution to Group revenue holding at about 39.3%. However, the profitability of the operations were affected by merger-related costs, corporate overheads, various one-time costs, provision for doubtful debt, and lower utilisation of production facilities.

The Group's operations in other regions also grew rapidly at 76.2% to $7.2 million for the July-December 2005 period from $4.1 million for the corresponding period a year earlier. More importantly, the operations in these regions turned to a profit of $1.2 million from a loss of $1.9 million over the comparative periods.

BUSINESS OUTLOOK

With the integration of the two companies complete, the Group believes that it has laid a foundation for sustainable future growth.

The Group has now standardised its policies, processes and reporting; streamlined operations and strengthened resource management functions; and set in place a Group-wide IT masterplan. The Group has also largely put in place a new senior management team, and increased its overall capacity which will enable it to rapidly ramp-up production for new orders without the need for significant capital expenditure in the near-term. The Group will continue to regularly review its operations to better manage costs and improve operational efficiency.

The Group has decided to focus on building its name as a regional leader in tooling and in the manufacture of precision plastic components. The Group believes that its value proposition remains in these core skills within the value chain of each of the sectors in which it is involved.

The Group continues to be optimistic on the Automotive and Consumer/IT businesses and expects to launch many new Automotive projects and ramp up production of inkjet cartridges.

With various projects in the pipeline, the Group expects its overall utilisation rate to improve from the end of the second quarter of the current financial year, with growth expected to resume in the second and third quarters of the financial year ending 31 December 2006.

CORPORATE PROFILE

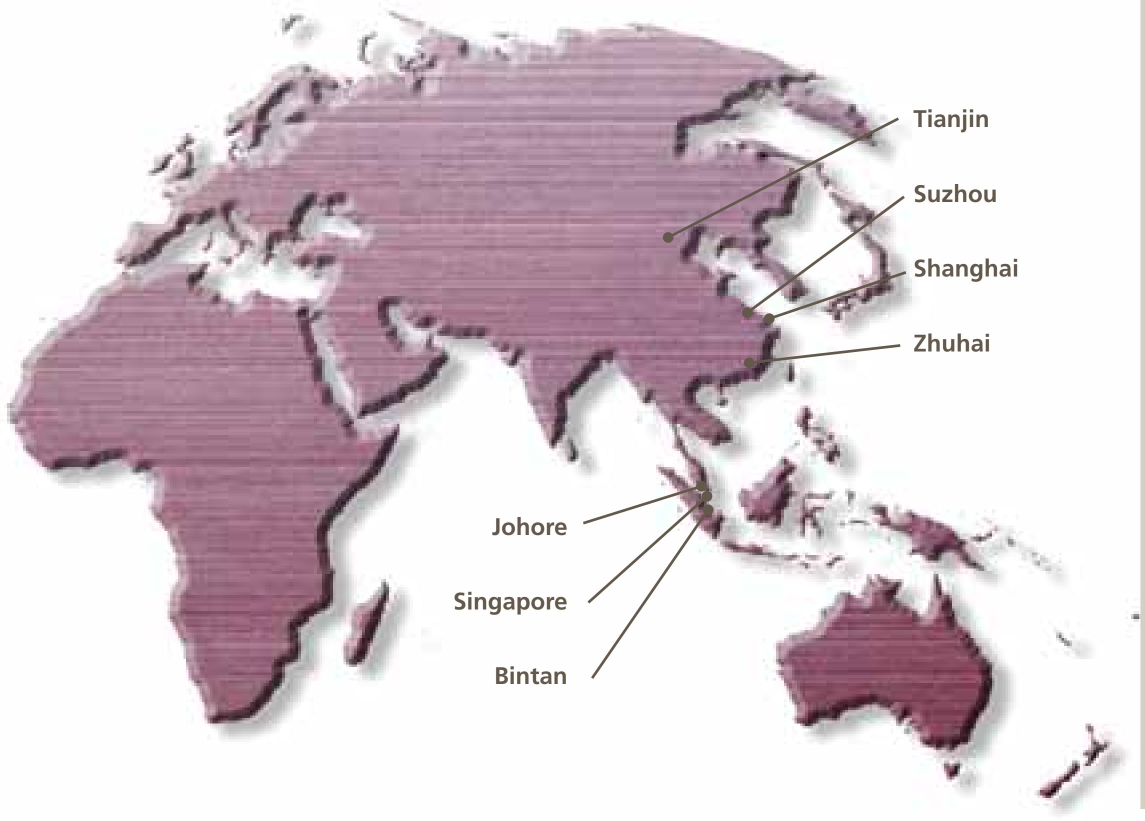
A ONE-STOP PRECISION PLASTIC ENGINEERING COMPANY

Sunningdale Tech Ltd is a one-stop precision plastic engineering company focusing on four key business segments – automotive, telecommunications, consumer / IT, and medical. Today, the Group offer a broad spectrum of capabilities that include product design, mold design and fabrication, ultraprecision tooling and precision molding to assembly and finishing processes like spray painting and laser etching.

Sunningdale Tech boasts a total factory space of more than 1.6 million sq feet, with more than 500 injection molding machines and a tooling capacity of 2,000 molds per year.

With a comprehensive regional footprint, Sunningdale Tech has 25 manufacturing sites across Singapore, Malaysia (Johore), Indonesia (Bintan), China (Tianjin, Shanghai, Suzhou and Zhuhai) and Mexico (Guadalajara). Our strategic position in almost all of the key manufacturing centres in Asia enables us to target and capture opportunities in different sectors in each geographic location.

By pooling our strengths, sharing technology and skills and cross-selling each other's facilities, the Group is able to offer customers a strong suite of capabilities across the entire value chain – bringing us closer to being a Preferred Supplier.



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.

By pooling our strengths, sharing technology and skills and cross-selling each other's facilities, the Group is able to offer customers a strong suite of capabilities across the entire value chain – bringing us closer to being a Preferred Supplier.

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

MOVING FORWARD

To sustain future growth, the Group is continually sharpening our technical capabilities, and broadening our product range and geographical reach. Our aim is to support our customers' global programmes and cater to their specific requirements, in line with rapidly changing market trends.

Business Segments

AUTOMOTIVE

In the automotive segment, Sunningdale Tech designs and manufactures decorative plastic parts such as trimplates for automotive stereo systems and climate controls (also known as bezels), speedometers, steering switches and design covers. We supply our products to tier one system manufacturers for the automotive industry.

With rising demand for custom-made plastic injection parts and more sophisticated finishing, the Group continues to leverage on our production technologies such as two-shot injection molding and Nd-YAG Laser Marking technologies.

Sunningdale Tech is TS16949-certified, a stringent qualification required for suppliers in the automotive industry – making us a key plastic components supplier in this sector.

Tapping on on-going outsourcing trends from the US, Europe and Japan, steadily increasing demand and long product life cycle, the automotive industry continues to offer strong growth opportunities for the Group.

TELECOMMUNICATIONS

For the telecommunications industry, Sunningdale Tech manufactures plastic casings that are used by renowned American and Japanese / European cellular phones, as well as plastic components for keypads.

We take pride in our sophisticated high-speed spray painting and UV lines, tempo printing facilities and advanced laser etching equipment that can handle the high volume demand from our telecommunications customers.

The telecommunications industry is a fast-moving and technology-driven sector. Our focus is on producing niche components for the mid to high-end handsets market, offering superior surface finishing as well as rapid tooling to help reduce customers' time to market.

Working closely with our technology partners, we employ advanced manufacturing technologies to offer the newest products to the handset industry. Coupled with our manufacturing capabilities, Sunningdale Tech is well-positioned to tap on the growth opportunities in this sector.

CONSUMER / IT

Sunningdale Tech manufactures plastic parts for printer casings and other consumer products and smart cards, as well as engages in turnkey assembly of inkjet cartridges.

With robust quality practices and a strong manufacturing system that yields the lowest scrap rate with the best quality standard, the Group strives to continuously meet the stringent quality and competitive costs expectation of this fast-paced and high-volume industry.

Our plants in China are well-equipped and automated to cater to the high volume demand of our customers. With years of experience serving some of the world's best and Fortune 500 companies in the IT consumer arena, the Group's recent collaboration with our customer to provide fully automated turnkey assembly operation of inkjet cartridges is a testament to our quality and engineering standards.

MEDICAL

Sunningdale Tech's state-of-the-art manufacturing facilities in Singapore are compliant with FDA cGMP requirements and ISO13485:2003 certified. Managed by a multi-disciplinary team with experience ranging from industrial automation to regulatory compliance, the Group's medical division is a provider of innovative medical device manufacturing solutions – from design for manufacturing to finished product packaging solutions.

Despite the longer gestation period of medical products, the Group believes the focus on the healthcare and medical sector, given its high entry barriers and our engineering capabilities in complex multi-cavity tooling, will significantly differentiate us from our competitors.

Manufacturing Capabilities

TOOLING

At Sunningdale Tech, we are always at the forefront of assimilating new knowledge and technology. With the aid of fully integrated 3D CAD/CAM system, our experienced mold designers and engineers are capable of transforming a highly complicated product design into a precision-finished product.

Delivery lead times are shortened with the application of concurrent engineering. We employ the use of fully-automated robotic electrodes and work piece changes to ensure a high level of precision and accuracy. Automation enables our tool room to run 24 hours, seven days a week.

MOLDING

We have wide ranging molding machineries ranging from 80 to 1,800 tons clamping force to suit the needs of our customers. Our highly skilled engineers and technicians work on our computerised injection molding machines to ensure that each molded part meets the product specifications of our customers.

Sunningdale Tech provides solutions for complicated product designs using our two-shot injection molding technology. This eliminates assembly and shielding operations, speeding up the cycle time and reducing overall cost.

SECONDARY PROCESSES

Our secondary processes involve spray painting, laser etching, tempo printing, sub assembly and other plastic decoration processes such as waste-based painting, hot stamping, ultrasonic welding, UV coating and silk screen printing.

Our cutting edge technology in laser etching is used widely in our automotive and telecommunications products. It employs the use of laser beams to cut miniscule etchings off the surface coating of plastic panels, that are so precise that lights behind the panels can shine through sharply and uniformly.

MANUFACTURING CAPABILITIES

TOOLING

Our tooling capabilities include:

- Full 3D UG design with CAD / CAM
- High precision molds from 50 to 1800 tons
- Design-and-Fabricate Multi-cavity molds
- Automated robotic electrodes / work piece changes
- 288 pallet magazines capacity
- High speed machining
- 24-hour continuous operations

MOLDING

Our molding capabilities include:

- Ultra precision injection molding
- Machine range from 80 tons to 1800 tons
- High speed thin wall molding capability
- Two-shot injection molding
- Auto insert molding
- Gas-assisted molding
- In-Mold-Decoration molding

SECONDARY PROCESSES

Our secondary processes include:

- Spray Painting
  - Fully automated high speed UV spindle system
  - Fully automated high speed reciprocal system
  - Fully automated high speed flatbed system Robotic Arm
  - High speed water based system
- High precision laser etching machineries
- Advance tempo printing machineries
- Silkscreen printing
- Hot stamping
- Ultrasonic Welding

CORPORATE STRUCTURE

SUNNINGDALE TECH LTD

- **Sunningdale Precision Industries Ltd** (Singapore)
  - PRC
    - Sunningdale Plastic Industries (Tianjin) Co., Ltd
    - Sunningdale Precision Mold Industries (Tianjin) Co., Ltd
    - Sunningdale Plastic Technology (Tianjin) Co., Ltd
    - Sunningdale Innovative Technology (Tianjin) Co., Ltd
    - Sunningdale Precision Industries (Shanghai) Co., Ltd
    - Sunningdale Precision Technology (Shanghai) Co., Ltd
  - Malaysia
    - SDP Manufacturing Sdn Bhd
    - Sunningdale Plastic Sdn Bhd
    - Sunningdale Daiwa Seiki Industries Sdn Bhd
    - Polymer System Industries Sdn Bhd
  - Singapore
    - Sunningdale Technology Pte Ltd
    - Weltech Precision Tooling Pte Ltd
  - Mexico
    - Sunningdale Technologies S.A. de C.V.
  - Indonesia
    - PT GP Technology (Bintan)
- **Chi Wo Plastic Moulds Fty Ltd** (Hong Kong)
  - China
    - Zhongshan Zhihe Electrical Equipment Co Ltd
    - Xinlianxing Mould (Shenzhen) Co Ltd
- **Podoyo Plastics Industries (M) Sdn Bhd** (Malaysia)
  - Malaysia
    - TGM Technologies Sdn Bhd
    - Guinea Manufacturing (M) Sdn Bhd
    - Seiwa-Podoyo (M) Sdn Bhd
      - Sheng Ya (M) Sdn Bhd
- **Omni Mold Ltd** (Singapore)
  - Omni Mold (USA) Inc (USA)
  - Omni Tech Design Pte Ltd (Singapore)
  - Omni Mold Investment Holding Pte Ltd (Singapore)
    - Omni Tech (Suzhou) Co Ltd (China)
- **Iomni Precision Inc** (Philippines) *(40% owned)*
- **Sunningdale Tech Design Pte Ltd** (f.k.a. Lifestyle Innovations Pte Ltd)
- **Sunningdale Tech (Ind) Pte Ltd** (f.k.a.FinePlas Tech PL)

BOARD OF DIRECTORS

Koh Boon Hwee
Executive Chairman,
Chief Executive Officer

Mr Koh Boon Hwee is the Executive Chairman and CEO of Sunningdale Tech Ltd.

He is currently the Executive Director of MediaRing Ltd, and 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 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) and Executive Chairman of the Wuthelam Group of Companies (1991-2000).

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.

Dr Ng Boon Hoo
Executive Director,
Chief Operating Officer

Dr Ng Boon Hoo is the Executive Director and Chief Operating Officer of Sunningdale Tech Ltd. Founder of Sunningdale Precision Industries Ltd, Dr Ng has more that 20 years of experience in the injection molding industry.

Prior to setting up Sunningdale Plastic Industries Pte Ltd, Dr Ng was the General Manager responsible for mold fabrication and injection molding operations of Bon Mold. He also held various senior positions in Pacific Precision Casting Singapore Deckel (Singapore) Pte Ltd and C Melchers Manufacturing GmbH Singapore.

Dr Ng serves as a member of the Central Provident Fund Board. Holding a Diploma in Mechanical Engineering from Taiwan Provincial Kaohsiung Institute of Technology, he has also undergone technical training with camera manufacturer Rollei Braunschweig in Germany and with CNC Milling Machine manufacturer Deckel AG Munich in Germany.

He was honoured with the Entrepreneur Award by Rotary-ASME in 1997. In 2001, Dr Ng was conferred the Doctor of Philosophy in Business Administration, Honoris Causa by the Wisconsin International University. He was the winner of the Phoenix Award 2005 conferred by the Economic Development Board.

Mr Wong Chi Hung
Executive Director

Mr Wong Chi Hung is the Executive Director of Sunningdale Tech Ltd. He began his molding and tooling career by establishing Chi Wo Plastic Moulds Pty. 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 molding supplier for computer, electronics, automotive and consumer industries through his years of directorship. Today, he is the Managing Director of Chi Wo Plastic Moulds Pty. Ltd, a wholly-owned subsidiary of Sunningdale Tech Ltd. He oversees all operational, marketing and business issues of Chi Wo and its subsidiaries.

Mr Steven Uhlmann
Non-Executive Director

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

Mr Uhlmann pursued a career in the plastics industry, setting up Tech Group in 1967. 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 S. Iswaran
Non-Executive Director

Mr S.Iswaran is a Non-Executive Director of Sunningdale Tech Ltd. He is the Managing Director (Investments) of Temasek Holdings (Private) Limited.

Mr Iswaran joined the Singapore Administrative Service in 1987 and held various positions in the Ministry of Home Affairs, Ministry of Education, National Trade Union Congress, Singapore Indian Development Association and Ministry of Trade and Industry.

He was previously Director (Strategic Development) of Singapore Technologies Pte Ltd from 1996 to 1998. In 1997 and 2001, he was elected as a Member of Parliament, Singapore (West Coast GRC). Mr Iswaran has a Bachelor of Economics (First Class Honours) from the University of Adelaide obtained under a Colombo Plan scholarship, and a Masters in Public Administration from Harvard University.

BOARD OF DIRECTORS

Mr Gabriel Teo
Independent Director

Mr Gabriel Teo is an Independent Director of Sunningdale Tech Ltd. He is also an Independent Director of International Factors (Singapore) Ltd. and the Managing Director of Gabriel Teo & Associates Pte Ltd.

Mr Teo has 20 years of experience in the banking industry, having been previously the Regional Managing Director of Bankers Trust, and the Chief Executive Officer of Chase Bank. Mr Teo had also held various senior appointments at Citibank and Citicorp Investment Bank.

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

Mr Kaka Singh
Independent Director

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, Certified Public Accountants.

Mr Singh served the Institute of Certified Public Accountants of Singapore ("ICPAS") in various committees including being the past Chairman of the Audit Practice Committee and the Accounting Standards Committee.

He is the President of the Association of Chartered Certified Accountant, Singapore. He was previously the Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators, and the President of the Singapore branch of the Institute of Chartered Management Accountants. He is a council Member of ICSA in London.

Mr Singh holds a Masters in Business Administration from London City University Business School. In 1994, he was awarded the Silver Medal by ICPAS for his contributions to the community and the accounting profession in Singapore.

Mr Steven Tan

Independent Director

Mr Steven Tan is an Independent Director of Sunningdale Tech Ltd.

Mr Tan is currently the Chairman of Steven Tan PAC, Samas Management Consultants Pte Ltd and Steven Tan Management Consultants Pte Ltd. He is the Vice-Chairman of the Liquor Licensing Board, and Chairman of The National University of Singapore Advisory Committee on Acquisitions of the Lee Kong Chian Museum. Mr Tan received the Gold Medal awarded by The Institute of Certified Public Accountants of Singapore ("ICPAS") in 1987, and was conferred the Public Service Medal and The Public Service Star in 1988 and 1995 respectively.

From 1994 to September 2001, he was a member of the Board of Directors and Chairman of the Audit Committee of Berger International Ltd. He was also a member of the Council of the Ngee Ann Polytechnic from 1980 to 1992, and Deputy Chairman from 1992 to March 2000.

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 at 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.

Mr Ong Sim Ho

Independent Director

Mr Ong Sim Ho is the Senior Partner of OngSimHo – Tax & Corporate Law Practice, a boutique law firm in Singapore specializing in taxation law. He serves on several other listed companies as Independent Director. He is a Member of the Investigation Committee of the Institute of Certified Public Accountants of Singapore and an Advisory Board member of the School of Accountancy in Singapore Management University. He is also a Certified Public Accountant, Singapore and a member of the Institute of Directors.

Mr Ong Beng Teck

Alternate Non-Executive Director to Mr S. Iswaran.

Mr Ong Beng Teck is the alternate Non-Executive Director to Mr S. Iswaran. He is a Director (Investments) of Temasek Holdings (Private) Limited and currently focuses on investments in the manufacturing and automotive sectors. He has experience in direct investments, mergers and acquisitions, buyouts, portfolio management, divestments and privatizations.

He was previously a Deputy Director of the Ministry of Finance, Singapore. He had also held various positions in the Inland Revenue Authority of Singapore, with the last position being that of Deputy Director, Policy and Planning.

He obtained a Bachelor of Property Administration from the University of Auckland under a Colombo Plan Scholarship and holds a Masters in Business Administration from the University of Warwick. He has also attended the Program for Management Development at the Harvard Business School.

MANAGEMENT TEAM

MR KHOO BOO HOR
Group Operations Director

Mr Khoo Boo Hor is the Group Operations Director of Sunningdale Tech Ltd. He joined the Group on 18 May 2005 and is 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 from Monash University, as well as a Master of Business Administration from the University of Louisville, Kentucky.

MR ANG KOCK SEONG
Corporate Business Development Director

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.

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 Ang is a member of the Singapore Institute of Management.

MR PAUL SHARP
Chief Information Officer.

Mr Paul Sharp joined Sunningdale Tech Ltd in June 2005 as its Chief Information Officer. His key role is to oversee the Group's global IT activities, with a focus on better utilising the Group's information technology resources and enhancing the Group's competitive edge.

Mr Sharp brings to the Group more that 25 years of experience in IT, operations and finance across various industries. Trained as an accountant, he has extensive experience in managing processes and IT systems to support key business initiatives for international manufacturers in Europe, North America and Asia Pacific.

Mr Sharp was previously the Director of ERP Applications and Director of Business Process with Speedline Technologies, USA, a division of Cookson PLC. He also held senior executive positions in ERP Results Pte Ltd, Singapore; SIG Singapore, a division of Strategic Information Group, Inc; and Courtaulds Far East, a division of Courtaulds PLC.

LIM SOOK LUAN
Chief Human Resource Officer

Ms Lim Sook Luan is the Chief Human Resource Officer of Sunningdale Tech Ltd, overseeing the human resource and administrative divisions of the Group.

Ms Lim started her career with PricewaterhouseCoopers Singapore as an auditor and subsequently joined the Management Consulting Division. She also worked as a market analyst with the Catalonia Trade Promotion Centre and as a Cross Industry Manager with the Singapore Confederation of Industries to develop local industries. Ms Lim joined Omni Mold in 1999, assuming the role of HR & Admin Manager when Omni Mold merged with Tech Group Asia Ltd in 2003.

Ms Lim holds a Bachelor of Accountancy from the National University of Singapore and was conferred a Master of Business Administration by the University of Western Australia.

SOH HUI LING
Group Financial Controller

Ms Soh Hui Ling is the Group Financial Controller of Sunningdale Tech Ltd, responsible for the financial and accounting matters of the Group. She held the same post 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 the Institute of Certified Public Accountants of Singapore.

TAN KIA JIT
Chief Materials Officer

Mr Tan Kia Jit is the Chief Materials Officer of Sunningdale Tech.

Before joining the Group, he was the General Manager of Compmall Pte Ltd and Gates Engineering Pte Ltd. Prior to that, Mr Tan worked in Hewlett-Packard Singapore for 18 years and held various positions, including the post of Materials and Purchasing Manager.

Mr Tan holds a Diploma in Electronics from Singapore Polytechnic and a Bachelor of Arts from the Ottawa University.

LIM CHIN HONG
Engineering 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Koh Boon Hwee
(Executive Chairman, Chief Executive Officer)

Ng Boon Hoo
(Executive Director, Chief Operating Officer),
appointed on 18 July 2005

Steven Uhlmann
(Non Executive Director)

Neo Age Seng
(Alternate to Steven Uhlmann), resigned on 31 January 2006

S. Iswaran
(Non Executive Director), appointed on 18 July 2005

Ong Beng Teck
(Alternate to S. Iswaran), appointed on 18 July 2005

Wong Chi Hung
(Executive Director)

Steven Tan Chee Chuan
(Independent Director)

Gabriel Teo Chen Thye
(Independent Director), appointed on 18 July 2005

Kaka Singh
(Independent Director), appointed on 18 July 2005

Ong Sim Ho
(Independent Director), appointed on 18 July 2005

AUDIT COMMITTEE

Kaka Singh (Chairman)
S. Iswaran (Member)
Gabriel Teo (Member)
Ong Beng Teck (Alternate to S. Iswaran)

NOMINATING COMMITTEE

Ong Sim Ho (Chairman)
Steven Uhlmann (Member)
Gabriel Teo (Member)

REMUNERATION COMMITTEE

Steven Tan Chee Chuan (Chairman)
Steven Uhlmann (Member)
Ong Sim Ho (Member)

COMPANY SECRETARY

Dorothy Ho Lai Yong

REGISTERED OFFICE

18 Joo Koon Crescent
Singapore 629019
Tel: 6862 2168
Fax: 6863 4173

AUDITORS

Ernst & Young
Audit Partner : Teo Li Ling (Since financial year 2003)

SHARE REGISTRAR

Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

BANKERS

United Overseas Bank Limited
DBS Bank Ltd

CORPORATE GOVERNANCE REPORT

Sunningdale Tech Ltd ("Sunningdale Tech") 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 describes the Company's corporate governance practices and process with specific reference to the Principles of the Singapore Corporate Governance Code 2005 (the "Code") and the relevant sections of the Listing Manual issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

As the Company has changed its financial year end from 30 June to 31 December, this Corporate Governance Report will only cover for the six months period from 1 July 2005 to 31 December 2005. Hence, some of the matters to be complied under the Code will be addressed in year 2006.

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 Board of Directors (the Board") comprises 9 Directors, of whom 4 are independent, 3 are executive and 2 are non-executive.

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 SunningdaleTech'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 period from 1 July 2005 to 31 December 2005 is set out below.

	Board Meetings	
Name of Director	**Held**	**Attended**
Koh Boon Hwee (Chairman)	2	2
Ng Boon Hoo	2	2
Wong Chi Hung	2	2
Steven Uhlmann	2	2
S. Iswaran	2	-
Gabriel Teo Chen Thye	2	2
Steven Tan Chee Chuan	2	2
Kaka Singh	2	2
Ong Sim Ho	2	2
Neo Age Seng # (Alternate to Steven Uhlmann)	2	2
Ong Beng Teck (Alternate to S Iswaran)	2	2

Mr Neo Age Seng resigned as Alternate Director to Mr Steven Uhlmann on 31 January 2006.

Directors are required to act in good faith and in the interests of SunningdaleTech. All new Directors appointed to the Board are briefed on the Group's business activities, its strategic direction and policies, and the regulatory environment, in which the Group operates, as well as their statutory and other duties and responsibilities as Directors.

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including an Audit Committee, a Nominating Committee and a Remuneration Committee. These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly monitored.

Details of the Nominating Committee, Remuneration Committee and Audit Committee are set out on pages 34, 37 and 40 of this Annual Report respectively.

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 composition of the Board has changed significantly subsequent to the merger completion with Sunningdale Precision Industries Ltd ("SPIL") on 16 July 2005. It has combined the strong management teams from both SPIL and Tech Group Asia Ltd which reflects the focus of the Group's business in the automotive, medical, telecommunications and consumer/IT sectors.

The Board currently comprises 9 Directors, of whom 4 are independent, 3 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 independent Directors are Mr Steven Tan Chee Chuan, Mr Kaka Singh, Mr Ong Sim Ho and Mr 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 a Nominating Committee 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 Nominating Committee, 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.

The profiles of the directors are set out on pages 22 to 25 of this Annual Report. The Board considers its current Board size appropriate for the nature and scope of the Group's operations.

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.

Presently, the Board is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the CEO and Chairman of the Board is the same person, so as to ensure that the decision-making process of the Group would not be unnecessarily hindered as well as to ensure an effective integration during the transition period following the merger. However, the Board will review this position if necessary so as to adopt the principle under the Code. Nevertheless, as the Chairman and the CEO is the same person, in compliance with the Code, the Board has appointed Mr Kaka Singh as the lead independent Director who will address concerns of shareholders.

The Group's Executive Chairman and CEO, Mr Koh Boon Hwee, plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision. He is responsible for the operational and strategic policies of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and Management. In addition, he also schedules Board meetings as and when required, sets the agenda for the Board meetings, encourage constructive relations between the Board and Management, and between executive directors and non-executive/independent directors and promotes high standard of corporate governance.

His performance and appointment to the Board is reviewed periodically by the Nominating Committee and his remuneration package is reviewed by the Remuneration Committee.

Board Membership

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

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

In compliance with the revised Code, Mr Steven Uhlmann (the former Chairman), who is a substantial shareholder, has resigned as the Chairman of the Nominating Committee on 15 March 2006 and was replaced by Mr Ong Sim Ho, an independent director.

The responsibilities of the Nominating Committee 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 Nominating Committee 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 Nominating Committee for any reason, the number of members of the Nominating Committee 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 Nominating Committee. Any new member appointed shall hold office for the remainder of the term of office of the member of the Nominating Committee in whose place he or she is appointed.

The Nominating Committee 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 Nominating Committee.

There was no meeting held between 1 July 2005 to 31 December 2005. The number of meetings held and attendance at the meetings subsequent to 31 December 2005 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 Article of Association provides that a newly appointed director must retire and submit himself for re-election at the next AGM following his appointment.

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	Executive Chairman/CEO	22 April 2003	n.a.
Ng Boon Hoo	Chief Operating Officer	18 July 2005	18 October 2005
Wong Chi Hung	Executive Director	11 May 2004	29 October 2004
Steven Uhlmann	Non-Executive Director	22 January 1996	18 October 2005
S. Iswaran	Non-Executive Director	18 July 2005	18 October 2005
Gabriel Teo Chen Thye	Independent Director	18 July 2005	18 October 2005
Steven Tan Chee Chuan	Independent Director	20 October 2003	18 October 2005
Kaka Singh	Independent Director	18 July 2005	18 October 2005
Ong Sim Ho	Independent Director	18 July 2005	18 October 2005

The shareholdings of the individual directors of the Company are set out on page 46 of the Directors' Report.

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 Nominating Committee has established a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. It considers a set of quantitative and qualitative performance criteria in evaluating the Board's performance. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities in terms of the financial indicators as set out in the Code.

The Board and the Nominating Committee 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. The newly established Committee will be meeting to review these processes.

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. On a quarterly basis, the Directors are briefed with up-to-date financial position and performance and other information on the Group's performance for effective decision-making.

The agenda for Board meetings is prepared in consultation with the Executive 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.

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 fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee comprises a non-executive director and two independent directors of the Company, i.e. Mr Steven Tan Chee Chuan as the Chairman, Mr Ong Sim Ho and Mr 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 during the last financial period from 1 July 2005 to 31 December 2005 were 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

The Remuneration Committee oversees and approves recommendations on executives' remuneration and development in the Company, 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 is involved in deciding 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.

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, 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 Remuneration Committee to ensure that the remuneration of the executive directors and senior management 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 (together with other senior executives) is reviewed periodically by the Remuneration Committee and the Board.

The Remuneration Committee 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 of the Directors and the key executives for the financial period from 1 July 2005 to 31 December 2005 are set out below:

Remuneration Band and Name of Directors

	Fee (%)	Basic Remuneration (%)	Variable Remuneration (%)	Total Remuneration (%)
Below S$250,000				
Koh Boon Hwee	-	100	-	100
Steven Uhlmann	100	-	-	100
S. Iswaran**	100	-	-	100
Gabriel Teo Chen Thye	100	-	-	100
Steven Tan Chee Chuan	100	-	-	100
Kaka Singh	100	-	-	100
Ong Sim Ho	100	-	-	100
Above S$250,001 to S$550,000				
Ng Boon Hoo	-	100	-	100
Wong Chi Hung	-	54	46	100
Neo Age Seng	-	100	-	100

** Payable to Mr. Iswaran's employer company

Remuneration Band of top key Employees (who are not Directors)

	No. of Key Executives	Total Remuneration (S$'000)
S$250,000 and below	20	2,427
Above S$250,001 to S$499,999	0	0

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 to shareholders, 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 quarterly 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.

The Audit Committee comprises 2 independent Directors (including the Chairman) and one non-Executive Director. All three members of the Audit Committee , bring with them invaluable leadership, managerial and professional expertise in the investment, financial and business management spheres. The Audit Committee is to meet regularly with the Group's external and internal 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 Audit Committee also monitors proposed changes in accounting policies, reviews the internal audit 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 and the contents and presentation of its reports.

Specifically, the Audit Committee:

- 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 internal and 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.

The Audit Committee 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 period ended 31 December 2005, the Audit Committee 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 Audit Committee 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 number of meetings held and attendance at the meetings during the last financial period from 1 July 2005 to 31 December 2005 were as follows:

	Audit Committee Meetings	
Name of Director	**Held**	**Attended**
Kaka Singh (Chairman)	2	2
Gabriel Teo Chen Thye (Member)	2	2
S. Iswaran (Member)	2	-
Ong Beng Teck (Alternate to S. Iswaran)	2	1

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.

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 period, the Audit Committee, 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.

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. The internal audit function reports primarily to the Chairman of the Audit Committee. The internal audit function has not started during the financial period ended 31 December 2005.

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 Annual General Meeting ("AGM") and Extraordinary General Meetings;
- press and analyst briefings for the Group's half-year and full-year results as well as other briefings, as appropriate;
- 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.

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 Audit, Remuneration and Nominating Committees 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 the SGX-ST's Best Practices Guide in relation to the dealing of shares of the Company. The Group has procedures in place prohibiting directors and executives of the Group from dealing in the Company's shares during the periods commencing two week prior to the announcement of the Group's quarterly and half-yearly and one month prior to the announcement of the full year 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.

STATEMENT OF COMPLIANCE

The Board confirms that for the financial period from 1 July 2005 to 31 December 2005, the Company has complied with most of the principles corporate governance recommendations as set out in the Best Practices Guide issued by SGX-ST.

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 (the "Group") for the 6-month financial period ended 31 December 2005 and balance sheet and statement of changes in equity of the Company for the financial period ended 31 December 2005.

Change in financial year-end

On 4 November 2005, the Company changed its financial year-end from 30 June to 31 December, effective from this financial period.

Change in name

On 1 July 2005, the Company changed its name from Tech Group Asia Ltd to Sunningdale Tech Ltd.

1. DIRECTORS OF THE COMPANY

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

Koh Boon Hwee (Executive Chairman, Chief Executive Officer)
Ng Boon Hoo (Executive Director, Chief Operating Officer)
Steven Uhlmann (Non Executive Director)
S. Iswaran (Non Executive Director)
Ong Beng Teck (Alternate to S. Iswaran)
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, Dr Ng Boon Hoo, Wong Chi Hung and S. Iswaran 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 period was the Company a party to any arrangement 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.

DIRECTORS' REPORT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under section 164 of the Companies Act, an interest in shares of the Company as stated below:

	Direct interest		Deemed interest	
	At beginning of the period/ at date of appointment	At end of the period	At beginning of the period/ at date of appointment	At end of the period
	Ordinary shares		Ordinary shares	
Name of Director	$0.05 each	$0.05 each	$0.05 each	$0.05 each
Koh Boon Hwee	25,278,960	25,278,960	110,040	110,040
Ng Boon Hoo	7,332,860	7,332,860	131,567,464	131,567,464
Steven Uhlmann	800,000	800,000	150,993,500	150,993,500
Neo Age Seng	43,643,300	43,643,300	30,000	30,000
Wong Chi Hung	-	-	38,231,974	38,231,974
Steven Tan Chee Chuan	400,000	400,000	-	-
Gabriel Teo Chen Thye	339,660	339,660	-	-
Kaka Singh	396,270	396,270	-	-

There was no change in any of the above mentioned interests between the end of the financial period and 21 January 2006.

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

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, 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 OPTIONS PLANS

On 1 October 2003, the Company adopted the Tech Group Asia Ltd Share Option Scheme (the "TGASOS"). Details of the TGASOS were set out in the document prepared pursuant to the merger of the Company and Omni Mold Ltd, Appendix 5 dated 18 August 2003. The TGASOS is administered by the Remuneration Committee, which consists of three members, Mr Steven Tan Chee Chuan (Chairman), Mr Ong Sim Ho and Mr Gabriel Teo Chen Thye. The Committee administers the Scheme in accordance to its objectives and rules thereof and to determine participation eligibility, grant of options and any other matters as may be required.

On 1 July 2005, when the Company changed its name, the TGASOS is also renamed as Sunningdale Tech Ltd Share Option Scheme ("STLSOS"). Since the commencement of this option scheme, no options have been granted. No options were granted during the current financial period and there are no unissued shares under the option scheme as at the date of this report.

On 16 July 2005, the Company acquired 100% equity interest in Sunningdale Precision Industries Ltd and its subsidiaries ("SPIL"). In connection with the acquisition, 795,000 share options under Sunningdale Precision Share Option Scheme ("SPSOS") were replaced by 795,000 options issued under the STLSOS, and each STLSOS is entitled to subscribe for 1.1322 ordinary shares of the Company. These options vested on 31 July 2005 and expire on 31 July 1013.

Further details of these share options are as follows:

No. of Participants	Date of grant	Exercise Period	Options granted during financial period	Aggregate options cancelled during financial period	Aggregate options exercised during financial period	Aggregate options outstanding as at financial period end	Exercise Price
64	15 Jul 05	31 Jul 2005 to 31 Jul 2013	795,000	3,000	776,000	16,000	$0.32

DIRECTORS' REPORT

5. SHARE OPTIONS PLANS (CONT'D)

The share options granted to participants who receive five percent or more of the total number of share awards under the STLSOS are as follows:

Name of participants	Date of grant	Aggregate share options granted during financial period	Aggregate share options exercised during financial period
Ang Kock Seong	15 Jul 05	132,000	132,000
Soh Hui Ling	15 Jul 05	126,000	126,000

Restricted Share Plan and Performance Share Plan

The Tech Group Asia Restricted Share Plan (the "RSP") and Tech Group Asia 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 also administers the RSP and PSP. The Committee administers the RSP and PSP in accordance to its objectives and rules thereof and to determine participation eligibility, grant of share award and any other matters as may be required.

On 1 July 2005, when the Company changed its name, the RSP and PSP are also renamed as Sunningdale Tech Ltd Restricted Share Plan and Sunningdale Tech Ltd Performance Share Plan respectively.

No unissued share awards are under PSP as at the date of this report. No share awards were granted during the current financial period under RSP and PSP and no share awards were granted to employees of related corporations under RSP and PSP.

Details of share awards granted are as follows:

(a) Shares granted under RSP

During the previous financial period, the following share awards were granted to key employees of the Company and the Group:

No. of Participants	Date of grant	Market price of share awards at date of grant	Share awards granted during financial period	Aggregate share awards granted since commencement of the RSP to end of financial period
26	1 Mar 05	$0.74	-	760,000

No director of the Company and Group has been granted the share awards.

5. SHARE OPTIONS PLANS (CONT'D)

(a) Shares granted under RSP (cont'd)

The award of these 760,000 shares was subject to the following conditions:-

(i) that the first 50% of each share award will be released after 18 months from the date of the letter of award and the balance 50% of the share award will be released 12 months thereafter; and

(ii) 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. Also, in the event that the employee leaves the employment of the Company or its group of companies after receiving the first 50% of the share award, the balance 50% of the share award will be forfeited;

The ordinary shares 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 2005 under the above scheme award was $0.61 per share.

(b) Issue of shares

No share awards were released during the financial period.

(c) Unissued shares

No. of participants	Date of grant	Share awards granted	Aggregate share awards granted since date of grant to end of financial period	Aggregate share awards forfeited since date of grant to end of financial period	Aggregate share awards outstanding as at end of financial period
26	1 Mar 05	760,000	760,000	70,000	690,000

DIRECTORS' REPORT

5. SHARE OPTIONS PLANS (CONT'D)

(c) Unissued shares (cont'd)

The share awards granted to participants who receive five percent or more of the total numbers of share awards under the RSP are as follows:

Name of participants	Date of grant	Aggregate share awards granted since commencement of the RSP to end of financial period	Aggregate share awards outstanding as at end of financial period
Chan Khai Loen	1 Mar 05	75,000	75,000
Ow Hoe Hong	1 Mar 05	75,000	75,000
Boey Seng Fook	1 Mar 05	75,000	75,000
Chua Keng Hock	1 Mar 05	50,000	50,000
Tan Bair Kion	1 Mar 05	50,000	50,000
Wong Siew Wah	1 Mar 05	50,000	50,000
Lim Sook Luan	1 Mar 05	50,000	50,000

Since commencement of the share option, RSP and PSP plans till the end of the financial period:
- No options or 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 option or awards available under the plans;
- No options or awards other than mentioned above have been granted to directors and employees of the Company and its subsidiaries;
- No options or awards that entitle the holder, to participate, by virtue of the options or awards, in any share issue of any other corporation have been granted; and
- No options or awards have been granted at a discount.

6. AUDIT COMMITTEE

The audit committee performs the functions specified by section 201B(5) of the Companies Act. Among others, it performed the following functions:

- Reviewed with the external auditors the external audit plan;
- Reviewed with the external auditors their evaluation of the Company's internal accounting control, and their report on the financial statements and the assistance given by the Company's officers 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)

DIRECTORS' REPORT

6. AUDIT COMMITTEE (CONT'D)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report, which includes a review of the external auditor's objectivity and independence vis-a-vis the non-audit services provided by them.

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

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

7. SUBSEQUENT EVENTS

a) New shares granted under Restricted Share Plan ("RSP")

On 13 January 2006, the Company has granted 7,071,000 share awards to certain directors and key employees of the Group and the Company under the RSP.

One-third of the shares awards will be vested on 13 January 2007, another one-third on 13 January 2008 and the remaining one-third on 13 January 2009. All the share awards will only be released on 13 January 2009.

For employees who resign before delivery date, the shares vested before the date of resignation shall be released on 13 January 2009 subject to an adjustment for the length of service as set out in the terms and conditions of the offer letters issued to the employees.

b) Share options

On 27 January 2006, the remaining 16,000 share options were exercised. A total of 18,115 ordinary shares were issued for cash, at the exercise price of $0.32 per share.

DIRECTORS' REPORT

8. AUDITORS

Ernst & Young have expressed their willingness to accept reappointment as auditors.

On behalf of the Board,

Koh Boon Hwee Executive Chairman & Chief Executive Officer	Ng Boon Hoo Executive Director & Chief Operating Officer

Singapore
24 March 2006

STATEMENT BY DIRECTORS

We, Koh Boon Hwee and Ng Boon Hoo, being two of the Directors of Sunningdale Tech Ltd, do hereby state that, in the opinion of the Directors,

(a) the accompanying balance sheets, consolidated profit and loss account, statements of changes in equity, and consolidated cash flow statement 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 2005 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the period then 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,

Koh Boon Hwee
Executive Chairman &
Chief Executive Officer

Ng Boon Hoo
Executive Director &
Chief Operating Officer

Singapore
24 March 2006

AUDITOR'S REPORT

TO THE MEMBERS OF SUNNINGDALE TECH LTD AND SUBSIDIARY COMPANIES

We have audited the accompanying financial statements of Sunningdale Tech Ltd (the Company) and its subsidiaries (the Group) set out on pages 55 to 139 for the period ended 31 December 2005. These financial statements are the responsibility of the Company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (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 2005 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial period ended on that date; and

(b) 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
Certified Public Accountants

Singapore
24 March 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2005

(In Singapore dollars)	Note	Group 1.7.2005 to 31.12.2005 $'000	Group 1.7.2004 to 30.6.2005 $'000
Revenue	3	234,222	192,260
Cost of Sales		(187,106)	(145,731)
Gross Profit		47,116	46,529
Selling expenses		(6,903)	(3,612)
General and Administrative expenses		(22,997)	(15,234)
Other expenses	4	(3,926)	(1,032)
Other income	4	3,464	2,428
Finance costs	5	(2,252)	(1,874)
Share of loss of associates		(374)	(766)
Profit from operations before taxation	6	14,128	26,439
Taxation	7	(3,216)	(5,068)
Profit for the period/year		10,912	21,371
Attributable to:			
Equity holders of the Company		10,875	21,374
Minority interests		37	(3)
		10,912	21,371
Basic earnings per share	8	1.48 cents	6.46 cents
Diluted earnings per share	8	1.48 cents	6.46 cents

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2005

(In Singapore dollars)	Note	Group 31.12.2005 $'000	Group 30.6.2005 $'000	Company 31.12.2005 $'000	Company 30.6.2005 $'000
Non-current assets					
Property, plant and equipment	10	193,346	107,335	14,049	14,197
Investment properties	11	602	231	–	–
Intangible assets	12	223,302	67,990	–	–
Other investments	13	1	101	–	101
Investment in subsidiaries	14	–	–	405,900	137,670
Investment in associates	15	1,240	1,554	620	777
Deferred tax assets	21	1,819	–	–	–
Total non-current assets		420,310	177,211	420,569	152,745
Current assets					
Stocks	16	56,501	24,550	3,319	2,930
Trade and other receivables	17	106,812	44,869	20,402	26,282
Prepayments		1,926	902	349	405
Cash and short term deposits	18	58,559	25,763	2,301	2,062
		223,798	96,084	26,371	31,679
Less : Current liabilities					
Bank overdrafts	18	5,361	4,424	1,931	2,765
Trade and other payables	19	97,881	51,760	25,501	25,966
Interest-bearing loans and borrowings	20	81,579	37,711	38,549	30,755
Provision for guarantee		–	300	–	–
Tax payable		17,325	11,691	941	606
		202,146	105,886	66,922	60,092
Net current assets/(liabilities)		21,652	(9,802)	(40,551)	(28,413)

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2005

(In Singapore dollars)	Note	Group 31.12.2005 $'000	Group 30.6.2005 $'000	Company 31.12.2005 $'000	Company 30.6.2005 $'000
Less : Non-current liabilities					
Interest-bearing loans and borrowings	20	23,231	22,773	9,537	14,792
Deferred tax liabilities	21	5,570	4,092	914	1,124
		28,801	26,865	10,451	15,916
Net assets		413,161	140,544	369,567	108,416
Equity attributable to equity holders of the Company					
Share capital	22	36,746	18,541	36,746	18,541
Share premium		308,463	62,772	308,463	62,772
Reserves		67,363	59,291	24,358	27,103
		412,572	140,604	369,567	108,416
Minority interest		589	(60)	–	–
Total equity		413,161	140,544	369,567	108,416

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2005

(In Singapore dollars)	Attributable to equity holders of the Group					Minority Interests	Total Equity
Group	Share Capital (Note 22) $'000	Share Premium $'000	Revenue Reserve $'000	Other Reserves (Note 23) $'000	Total Reserves $'000	$'000	$'000
Balance at 30 June 2004	16,259	32,798	46,629	(1,145)	45,484	(57)	94,484
Foreign currency translation adjustment	–	–	–	(694)	(694)	–	(694)
Issuance of shares for acquisition of Podoyo Plastics Industries (M) Sdn Bhd	371	4,668	–	–	–	–	5,039
Issuance of shares for the balance payment for acquisition of Chi Wo Plastics Moulds Fty Ltd	1,911	25,306	–	–	–	–	27,217
Net Profit for the year	–	–	21,374	–	21,374	(3)	21,371
Transfer to statutory reserve	–	–	(511)	511	–	–	–
Dividends paid (Note 9)	–	–	(6,873)	–	(6,873)	–	(6,873)
Dividend for the year, proposed	–	–	(4,404)	4,404	–	–	–
Balance at 30 June 2005	18,541	62,772	56,215	3,076	59,291	(60)	140,544
Foreign currency translation adjustment	–	–	–	1,378	1,378	(2)	1,376
Issuance of shares for acquisition of Sunningdale Precision Industries Ltd	18,162	245,191	–	–	–	–	263,353
Arise from acquisition of subsidiaries	–	–	–	307	307	614	921
Exercise of employee share options	43	500	–	(300)	(300)	–	243
Cancellation of employee share option	–	–	1	(1)	–	–	–
Grant of equity-settled share awards to employees	–	–	–	222	222	–	222
Net Profit for the period	–	–	10,875	–	10,875	37	10,912
Transfer to statutory reserve	–	–	(1,155)	1,155	–	–	–
Dividends paid (Note 9)	–	–	(6)	(4,404)	(4,410)	–	(4,410)
Balance at 31 December 2005	36,746	308,463	65,930	1,433	67,363	589	413,161

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2005

(In Singapore dollars)	Attributable to equity holders of the Company					Total Equity
Company	Share Capital (Note 22) $'000	Share Premium $'000	Revenue Reserve $'000	Other Reserves (Note 23) $'000	Total Reserves $'000	$'000
Balance at 30 June 2004	16,259	32,798	22,896	4,878	27,774	76,831
Issuance of shares for acquisition of Podoyo Plastics Industries (M) Sdn Bhd	371	4,668	–	–	–	5,039
Issuance of shares for the balance payment for acquisition of Chi Wo Plastics Moulds Fty Ltd	1,911	25,306	–	–	–	27,217
Net Profit for the year	–	–	6,202	–	6,202	6,202
Dividends paid for the year (Note 9)	–	–	(1,995)	(4,878)	(6,873)	(6,873)
Dividend for the year, proposed	–	–	(4,404)	4,404	–	–
Balance at 30 June 2005	18,541	62,772	22,699	4,404	27,103	108,416
Issuance of shares for acquisition of Sunningdale Precision Industries Ltd	18,162	245,191	–	–	–	263,353
Arise from acquisition of subsidiaries	–	–	–	307	307	307
Exercise of employee share options	43	500	–	(300)	(300)	243
Cancellation of employee share option	–	–	1	(1)	–	–
Grant of equity-settled share awards to employees	–	–	–	134	134	134
Net Profit for the period	–	–	1,524	–	1,524	1,524
Dividends paid (Note 9)	–	–	(6)	(4,404)	(4,410)	(4,410)
Balance at 31 December 2005	36,746	308,463	24,218	140	24,358	369,567

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

(In Singapore dollars)	Group 1.7.2005 to 31.12.2005 $'000	Group 1.7.2004 to 30.6.2005 $'000
Cash flows from operating activities:		
Profit from operations before taxation	14,128	26,439
Adjustment for:		
Depreciation of property, plant and equipment	13,774	12,958
Gain on disposal of property, plant and equipment	(142)	(368)
Property, plant and equipment written off	1,873	111
Fair value gain on investment property	(221)	–
Amortisation of customer-related intangible asset	1,794	–
Share of loss of associates	374	766
Impairment loss on club membership	28	–
Bad debts written (back)/off	(21)	13
Allowance for doubtful debts	949	498
Stocks written off	29	–
Allowance for stock obsolescence	1,650	127
Write-back of provision for foreseeable loss	–	(104)
Provision for guarantee	–	300
Employee share option plan	222	65
Interest expense	2,252	1,874
Interest income	(413)	(187)
Currency realignment	224	342
Operating profit before reinvestment in working capital	36,500	42,834
Increase in receivables	(13,847)	(10,620)
Increase in prepayments	(1,024)	(494)
Decrease/(increase) in stocks	7,609	(8,884)
(Decrease)/increase in payables	(3,283)	14,983
Cash generated from operations	25,955	37,819
Interest expense	(2,252)	(1,874)
Interest received	413	187
Income tax paid	(1,599)	(1,852)
Net cash from operating activities	22,517	34,280

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

	Group	
(In Singapore dollars)	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Cash flows from investing activities:		
Purchase of property, plant and equipment	(25,942)	(30,370)
Net proceeds from disposal of property, plant and equipment	800	589
Convertible loan to an investee company	–	(2,800)
Investment in an investee company	–	(101)
Acquisition of subsidiaries, net of cash acquired (notes a and b)	21,984	(785)
Net cash used in investing activities	(3,158)	(33,467)
Cash flows from financing activities:		
Proceeds from bank loans	33,465	24,073
Repayment of bank loans	(15,895)	(20,855)
Decrease in finance lease and hire purchase creditors	(903)	(171)
Proceeds from issuance of shares to employees under ESOS	243	–
Decrease in bank balances pledged	5	1,062
Dividends paid to shareholders	(4,410)	(6,873)
Net cash from/(used in) financing activities	12,505	(2,764)
Net increase/(decrease) in cash and cash equivalents	31,864	(1,951)
Cash and cash equivalents at beginning of period/year	18,992	20,943
Cash and cash equivalents at end of period/year (note 18)	50,856	18,992

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

a) Merger with Sunningdale Precision Industries Ltd and its subsidiaries ("SPIL")

On 16 July 2005, the Company acquired 100% equity interest in SPIL. In connection with this acquisition, the Company issued 363,246,304 ordinary shares with a fair value of $0.725 each, being the published market price of the Company's shares at the date of exchange. The shares rank equally for dividends after 16 July 2005. In connection with the acquisition, 795,000 options under the Sunningdale Precision Share Option Scheme ("SPSOS") were replaced by 795,000 options under the Sunningdale Tech Ltd Share Option Scheme ("STLSOS") and each change to STLSOS is entitled to subscribe for 1.1322 ordinary shares of the Company.

The fair values of the identifiable assets acquired and the liabilities assumed as at 15 July 2005 and the cash flow effect of the acquisition were:-

	Recognised on acquisition $'000
Property, plant and equipment	72,322
Customer-related intangible asset (Note 12)	12,556
Investment property	150
Quoted shares	1
Deferred Tax Assets	1,361
Trade and other receivables	50,549
Stocks	41,239
Cash and cash at bank	23,352
	201,530
Trade and other payables	(48,494)
Interest-bearing loans and borrowings	(26,053)
Tax payable	(2,346)
Deferred tax liabilities	(2,569)
	(79,462)
Net identifiable assets	122,068
Goodwill arising on acquisition	143,577
Minority interest	(328)
	265,317

The total cost of the acquisition was $265.3 million and comprised an issue of equity instrument comprising both share capital and share options, and costs directly attributable to the combination.

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

a) Merger with Sunningdale Precision Industries Ltd and its subsidiaries ("SPIL") (cont'd)

	Recognised on acquisition $'000
Consideration:	
Ordinary shares issued, at fair value	263,353
STLSOS issued	307
Cost associated with the acquisition	1,657
Total consideration	265,317
Cash inflow on the acquisition:	
Net cash acquired with the subsidiary	23,352
Cost associated with the acquisition	(1,657)
Net cash inflow on acquisition	21,695

As at 16 July 2005, the carrying values of the above assets and liabilities are the same as the fair values stated above.

From the date of acquisition, SPIL has contributed profit of $0.4 million to the Group. As the acquisition has taken place at the beginning of the period, the profit for the Group and revenue from continuing operations would have been the same.

Included in the $143.6 million of goodwill recognised above are certain intangible assets that cannot be individually separated and reliably measured due to their nature. Assets included in this balance consist of control over the acquiree and immediate presence in automotive industries in Singapore, Malaysia, China and Mexico, and telecommunications industries in Singapore, Malaysia and China.

The accounting policies and explanatory notes on pages 66 through 139 form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

b) Acquisition of Sunningdale Tech (Ind) Pte Ltd ("STIPL")

On 10 November 2005, the Company acquired 87% equity interest in STIPL. In connection with this acquisition, the Company converted its convertible loan of $2.8 million to STIPL into 592,000 ordinary shares in STIPL at $4.7297 per share.

The fair values of the identifiable assets acquired and the liabilities assumed as at 10 November 2005 and the cash flow effect of the acquisition were:-

	Recognised on acquisition $'000
Property, plant and equipment	2,872
Trade and other receivables	1,275
Cash and cash at bank	402
	4,549
Trade and other payables	(712)
Interest-bearing loans and borrowings	(1,605)
Foreign currency translation reserve	(34)
	(2,351)
Net identifiable assets	2,198
Goodwill arising on acquisition	1,001
Minority interest	(286)
	2,913

The total cost of the acquisition was $2.9 million and comprised the conversion of loan receivable from STIPL and costs directly attributable to the combination.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2005

b) Acquisition of Sunningdale Tech (Ind) Pte Ltd ("STIPL") (cont'd)

	Recognised on acquisition $'000
Consideration:	
Conversion of convertible loan into ordinary shares	2,800
Cost associated with the acquisition	113
Total consideration	2,913
Cash inflow on the acquisition:	
Net cash acquired with the subsidiary	402
Cost associated with the acquisition	(113)
Net cash inflow on acquisition	289

As at 10 November 2005, the carrying values of the above assets and liabilities are the same as the fair values stated above.

From the date of acquisition, STIPL has contributed profit of $0.3 million to the Group. If the acquisition had taken place at the beginning of the period, the profit for the Group would have been $10.8 million and revenue from continuing operations would have been $234.3 million.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2005

1. Corporate information

The Company is a public limited liability company domiciled and incorporated in Singapore. The registered office and principal place of business of the Company is located at 18 Joo Koon Crescent, Singapore 629019.

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 14 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 financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act. The financial statements have been prepared on a historical cost basis.

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 have been consistently applied by the Group and the Company and are consistent with those used in the previous financial year except for the changes in accounting policies discussed more fully below.

a) Adoption of new FRS

On 1 July 2005, the Group and the Company adopted the following standards mandatory for annual financial periods beginning on or after 1 January 2005:
- FRS 39, Financial Instruments: Recognition and Measurement
- FRS 102, Share-based Payment

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

2.2 Changes in accounting policies (cont'd)

a) Adoption of new FRS (cont'd)

i) FRS 39, Financial Instruments: Recognition and Measurement

The Group and the Company had adopted FRS 39 prospectively on 1 July 2005. At that date, financial assets within the scope of FRS 39 were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial assets that were classified as financial assets at fair value through profit or loss and available-for-sale financial assets were measured at fair value while loans and receivables and held-to-maturity investments were measured at amortised cost using the effective interest rate method.

At 1 July 2005, financial liabilities (other than derivative financial instruments) within the scope of FRS 39 were measured at amortised costs using the effective interest rate method.

The adoption of this new standard has no material financial impact on these financial statements as at 31 December 2005.

ii) FRS 102, Share-based Payment

The main impact of FRS 102 on the Group and the Company is the recognition of an expense and a corresponding entry to equity for share options granted to senior executives and general employees. The adoption of this new standard has no material financial impact on these financial statements as at 1 July 2005.

b) Adoption of revised FRS

The Group and the Company adopted the following revised standards mandatory for annual financial periods beginning on or after 1 January 2005, which did not result in any significant change in accounting policies. Comparative figures have been restated where required.

FRS 1 (revised), Presentation of Financial Statements
FRS 2 (revised), Inventories
FRS 8 (revised), Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised), Events after the Balance Sheet Date
FRS 16 (revised), Property, Plant and Equipment
FRS 17 (revised), Leases
FRS 21 (revised), The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised), Related Party Disclosures
FRS 27 (revised), Consolidated and Separate Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2005

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

2.2 Changes in accounting policies (cont'd)

b) Adoption of revised FRS (cont'd)

FRS 28 (revised), Investments in Associates
FRS 32 (revised), Financial Instruments: Disclosure and Presentation
FRS 33 (revised), Earnings Per Share

c) FRS and Interpretation of Financial Reporting Standards (INT FRS) not yet effective

The Group and the Company has not applied the following FRS and INT FRS that have been issued but are only effective for financial periods beginning on or after 1 January 2006:

(i) Amendments to FRS 19, Employee Benefits Relating to Actuarial Gains and Losses, Group Plans & Disclosures

The standard requires disclosure of additional information about trends in the assets and liabilities in the defined benefit plans and the assumptions underlying the components of the defined benefits cost. The amendment to FRS 19 will result in additional disclosures being included but will have no recognition or measurement impact.

(ii) FRS 40, Investment Property

This standard is effective 1 January 2007. The adoption of this new standard is not expected to have significant impact on the financial statements of the Group and the Company.

(iii) INT FRS 104, Determining Whether an Arrangement Contains a Lease

This interpretation requires the determination of whether an arrangement is, or contains a lease to be based on the substance of the arrangement and requires an assessment of whether the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The adoption of this interpretation is not expected to have significant impact on the financial statements of the Group and the Company.

(iv) FRS 107, Financial Instruments: Disclosures

The new standard deals with the revision and enhancement on the disclosures of an entity's exposure to risks and how those risks are managed. The adoption of the standard is not expected to have significant impact on the financial statements of the Group and the Company.

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

2.2 Changes in accounting policies (cont'd)

c) FRS and Interpretation of Financial Reporting Standards (INT FRS) not yet effective (cont'd)

(v) FRS 106, Exploration for and Evaluation of Mineral Resources
Amendments to FRS 39, Cash Flow Hedge Accounting for Forecast Intragroup Transactions
INT FRS 105, Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
INT FRS 106, Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
INT FRS 107, Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies

The above standards do not apply to the activities of the Group and the Company.

2.3 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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 customer-related intangible asset

The Group determines whether goodwill and customer-related intangible asset are 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 and customer-related intangible asset are allocated. Estimating the value in use requires the Group 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. More details are given in Note 12.

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

2.3 Significant accounting estimates and judgements (cont'd)

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

ii) Depreciation of property, plant and equipment

The cost of 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 to be within 1 to 10 years. 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 amounts of these assets are disclosed in Note 10.

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. The Group 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 provisions in the period in which such determination is made. The carrying amounts of the Group's tax payables are stated on the consolidated balance sheet.

b) Critical judgements made in applying accounting policies

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

i) Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indicators of impairment. As at 31 December 2005, there are no indications of impairment.

ii) Operating lease commitments – As lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retained all the significant risks and rewards of ownership of these properties, which are leased out on operating leases.

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

2.4 Functional and foreign currency

a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

b) Foreign currency transactions

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 closing rate of exchange ruling at the balance sheet date. 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit and loss account except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in a separate component of equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated profit and loss account on disposal of the subsidiary. In the Company's separate financial statements, such exchange differences are recognised in the profit and loss account.

c) Foreign currency translation

The results and financial position of foreign subsidiaries are translated into SGD using the following procedures:

- Assets and liabilities for each balance sheet presented are translated at the closing rate ruling at that balance sheet date; and
- Income and expenses for each income statement are translated at average exchange rates for the period, which approximates the exchange rates at the dates of the transactions.

All resulting exchange differences are recognised in a separate component of equity as foreign currency translation reserve.

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

2.4 Functional and foreign currency (cont'd)

c) Foreign currency translation (cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign subsidiaries on or after 1 January 2005 are treated as assets and liabilities of the foreign subsidiaries and are recorded in the functional currencies of the foreign operations and translated at the closing rate at the balance sheet date.

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

On disposal of a foreign subsidiaries, the cumulative amount of exchange differences deferred in equity relating to that foreign subsidiaries is recognised in the profit and loss account as a component of the gain or loss on disposal.

2.5 Subsidiaries and principles 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. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

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

b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully 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. Summary of significant accounting policies (cont'd)

2.5 Subsidiaries and principles of consolidation (cont'd)

b) Principles of consolidation (cont'd)

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. The goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2.10 below.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the profit and loss account on the date of acquisition.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated profit and loss account.

2.6 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. This generally coincides with the Group having 20% or more of the voting power, or has representation on the board of directors.

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 balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the profit or loss of the associate is recognised in the consolidated profit and loss account. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. 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.

Goodwill relating to an associate is included in the carrying amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2005

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

2.6 Associates (cont'd)

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 excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss 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, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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

2.7 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in the profit and loss account over the periods necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

2.8 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any 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 or over lease terms
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

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

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

Plant and equipment that are still under construction are classified as construction-in-progress. Such assets are not depreciated as they are not available for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

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 values, 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.

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 and loss account in the year the asset is derecognised.

2.9 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the profit and loss account in the period 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 and loss account in the period of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

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

2.10 Intangible assets

a) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that 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 values of the operation disposed of and the portion of the cash-generating unit retained.

b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss account through the 'other expenses' line item.

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

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

2.10 Intangible assets (cont'd)

b) Other intangible assets (cont'd)

i) Customer-related intangible asset

Customer-related intangible asset was acquired through business combinations. Customer-related intangible asset is amortised on a straight-line basis over the estimated useful life of 3.5 years.

ii) Research and development costs

Research and development costs are expensed as incurred.

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 and loss account when the asset is derecognised.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life, or goodwill acquired in a business combination) 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 or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the profit and loss account as 'impairment losses' or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for that same asset.

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

2.11 Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses recognised for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. 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 increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Reversal of an impairment loss is recognised in the profit and loss account unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through the profit and loss account is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

The Group does not reverse in a subsequent period, any impairment loss recognised for goodwill.

2.12 Financial assets

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet 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. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase 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.

a) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instruments are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in the profit and loss account.

The Group does not designate any financial assets not held for trading as financial assets at fair value through profit and loss.

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

2.12 Financial assets (cont'd)

b) Held-to-maturity investments

Non-derivative 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 assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount and minus any reduction for impairment or uncollectibility. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in the profit and loss account when the investments are derecognised or impaired, as well as through the amortisation process.

c) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss account 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 those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant Exchange's quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

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

2.13 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.

Cash and short-term deposits carried on the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.12.

2.14 Trade and other receivables

Trade and other receivables, including amounts due from subsidiaries, related parties and a minority shareholder of a subsidiary are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.12.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2.15 below.

2.15 Impairment of financial assets

The Group assesses at each balance sheet date 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 loans and receivables or held-to-maturity investments 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss account.

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. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

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

2.15 Impairment of financial assets (cont'd)

b) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, 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.

c) Available-for-sale financial assets

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 and loss account, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the profit and loss account. Reversals of impairment losses on debt instruments are reversed through the profit and loss account, 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 and loss account.

2.16 Stocks

Stocks are valued 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 cost on a first-in-first out basis
- Finished goods and work in progress – cost of direct materials and labour and attributable manufacturing overheads based on normal operating capacity but excluding borrowing costs

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.

An allowance is made for damaged, obsolete and slow-moving items.

2.17 Trade and other payables

Liabilities for trade and other amounts payable, which are normally settled on 30-90 day terms, and payables to subsidiaries, related parties and a corporate shareholder, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

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

2.18 Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

2.19 Borrowing costs

Borrowing costs are generally expensed as incurred.

2.20 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 (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the profit and loss account.

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

2.20 Derecognition of financial assets and liabilities (cont'd)

b) Financial liabilities

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

Where 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 and loss account.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss net of any reimbursement.

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 finance costs.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision for sales returns is recognised for all products sold as at the balance sheet date based on past experience of the level of returns.

2.22 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 national pension schemes are recognised as an expense in the period in which the related service is performed.

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

2.22 Employee benefits (cont'd)

b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

c) Employee share option plans

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 options and awards ('equity-settled transactions').

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 options are granted. In valuing the share options, 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 employee share option 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 each reporting date 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 profit or loss charge or credit 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 awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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

2.23 Leases

a) As lessee

Finance leases, which effectively transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at amounts equal, at the inception of the lease, to the fair value of the leased item 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 directly to profit and loss account. 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 and loss account 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 (Note 2.24).

2.24 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. The following specific recognition criteria must also be met before revenue is recognised:

a) Sale of manufactured products

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

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

2.24 Revenue recognition (cont'd)

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 and all losses are provided for as they become known.

c) Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

d) Dividends

Dividend income is recognized 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 on ongoing leases. 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.

2.25 Income taxes

a) Current tax

Current tax assets and liabilities for the current and prior periods 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 the balance sheet date.

b) Deferred tax

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

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

- Where the deferred 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)

2.25 Income taxes (cont'd)

b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credit and unused tax losses and unabsorbed capital allowances, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax losses and unused tax credit can be utilized 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 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 income tax assets is reviewed at each balance sheet date 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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 law) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity.

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

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales 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 sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3. Revenue

Revenue represents net invoiced value of goods supplied and percentage of work completed for sale of moulds, net of any sales return.

4. Other expenses/Other income

	Group	
	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Other expenses:		
Amortisation of customer-related intangible asset	1,794	–
Property, plant and equipment written off	1,873	111
Impairment loss on club membership	28	–
Loss on settlement of corporate guarantee given [1]	225	621
Provision for guarantee [1]	–	300
Miscellaneous expenses	6	–
	3,926	1,032
Other income:		
Interest income	413	187
Income from disposal of scrap materials	907	284
Rental income	192	44
Government grant	161	141
Foreign exchange gain	622	919
Gain on disposal of property, plant and equipment	142	368
Fair value gains on investment property	221	–
Compensation from customer and suppliers	171	110
Service income from customer	–	149
Write back of amounts due to suppliers	–	69
Reimbursement from customers and miscellaneous receipts	635	157
	3,464	2,428

[1] These relate to payments made by one of the Company's subsidiary as a result of having provided corporate guarantee and indemnity in respect of an associate, Synergy MFG Pte Ltd's bank loan in an earlier year. During the last financial year, the associate defaulted on the loan, resulting in the subsidiary incurring the liability.

5. Finance costs

	Group	
	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Interest expense:		
- Bank loans	2,027	1,726
- Bank overdraft	154	94
- Bills payable	5	27
- Hire purchase/finance leases	64	13
- Others	2	14
	2,252	1,874

6. Profit from operations before taxation

	Group	
	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Profit from operations before taxation is stated after charging/(crediting):		
Depreciation of property, plant and equipment	13,774	12,958
Management fee and shared charges paid to a corporate shareholder	–	747
Reciprocal sales & services paid to a corporate shareholder	–	829
Bad debts written (back)/off		
– trade	(21)	7
– non-trade	–	6
Allowance for doubtful debts	949	498
Auditors' remuneration		
– Non audit fees	91	33
Allowance for stock obsolescence	1,650	127
Stocks written off	29	–
Allowance for foreseeable losses written back (Note 16)	–	(104)

7. Taxation

Major components of income tax expense were:

	Group	
	1.7.2005 to 31.12.2005 $'000	**1.7.2004 to 30.6.2005 $'000**
Current taxation		
• Current period	4,964	5,069
• Over provision in respect of previous years	(134)	(132)
Deferred taxation		
• Movement in temporary differences	121	131
• Benefits from previously unrecognized tax losses	(1,735)	–
Income tax expense recognised in the profit and loss account	3,216	5,068

The statutory income tax rate applicable to the Singapore companies of the Group is 20% (30 June 2005: 20%).

A reconciliation of the statutory tax rates to the effective tax rate of the Group applicable to profit from operations is as follows:-

	Group	
	1.7.2005 to 31.12.2005 %	**1.7.2004 to 30.6.2005 %**
Domestic statutory rates applicable in respective countries	3.4	19.8
Non-deductible expenses	26.1	7.0
Income not subject to taxation	2.5	(6.6)
Utilisation of previously unrecognised tax losses	(9.3)	1.2
Others	–	(2.2)
Average effective tax rate	22.7	19.2

8. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period/year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period/year.

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

	Group	
	1.7.2005 to 31.12.2005 $'000	**1.7.2004 to 30.6.2005 $'000**
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	$10,875	$21,374
	'000	**'000**
Weighted average number of ordinary shares on issue applicable to basic earnings per share	734,508	331,067
Effect of dilutive potential share		
• Employee share options	9	–
• Restricted share plan	690	–
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	735,207	331,067

Since the end of the period, 16,000 employee share options have been exercised to acquire 18,115 (30.6.2005: Nil) ordinary shares of the Company. Except as disclosed in the financial statements, there has been no other transaction involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

9. Dividends paid and proposed

	Group and Company	
	1.7.2005 to 31.12.2005 $'000	**1.7.2004 to 30.6.2005 $'000**
a) Dividends paid during the year are as follows:-		
2005 final dividend of $0.006 on 734,924,528 ordinary shares of $0.05 each, tax exempt	4,410	–
2004 final dividend of $0.015 on 325,175,620 ordinary shares of $0.05 each, tax exempt	–	4,878
2005 interim dividend of $0.006 on 332,585,778 ordinary shares of $0.05 each, tax exempt	–	1,995
	4,410	6,873

b) Dividends proposed

The Directors did not propose any dividend to be paid for the period ended 31 December 2005 (30.6.2005: $0.012 per ordinary share, tax-exempt).

10. 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 July 2005	34,776	10,577	2,153	119,707	8,298	2,189	177,700
Arise from acquisition of subsidiaries	9,512	8,703	1,221	81,765	8,804	2,050	112,055
Additions	2,275	1,197	378	14,434	608	7,050	25,942
Reclassification	2,375	2,798	(31)	1,629	804	(7,575)	–
Disposals	(50)	(18)	(851)	(1,183)	(24)	–	(2,126)
Written off	–	–	–	(2,240)	–	(505)	(2,745)
Currency realignment	250	46	14	1,071	42	32	1,455
At 31 December 2005	49,138	23,303	2,884	215,183	18,532	3,241	312,281
Accumulated depreciation							
At 1 July 2005	3,139	6,004	1,452	53,618	6,152	–	70,365
Arise from acquisition of subsidiaries	1,355	3,318	896	25,497	5,795	–	36,861
Charge for the year	837	1,550	170	10,376	841	–	13,774
Reclassifications	–	(222)	–	222	–	–	–
Disposals	(24)	(10)	(775)	(646)	(13)	–	(1,468)
Written off	–	–	–	(872)	–	–	(872)
Currency realignment	27	17	(20)	239	12	–	275
At 31 December 2005	5,334	10,657	1,723	88,434	12,787	–	118,935
Net carrying amount							
At 31 December 2005	43,804	12,646	1,161	126,749	5,745	3,241	193,346

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10. 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 July 2004	16,152	8,254	1,527	94,085	7,030	7,365	134,413
Arise from acquisition of subsidiary	6,176	871	896	9,500	182	–	17,625
Additions	64	834	–	19,839	705	8,928	30,370
Reclassification	12,160	1,080	–	–	446	(13,686)	–
Disposals	–	(543)	(276)	(2,251)	(39)	–	(3,109)
Written off	–	–	–	(436)	–	–	(436)
Currency realignment	224	81	6	(1,030)	(26)	(418)	(1,163)
At 30 June 2005	34,776	10,577	2,153	119,707	8,298	2,189	177,700
Accumulated depreciation							
At 1 July 2004	2,237	5,014	617	42,188	5,428	–	55,484
Arise from acquisition of subsidiary	–	467	792	4,029	92	–	5,380
Charge for the year	879	1,061	211	10,113	694	–	12,958
Disposals	–	(541)	(181)	(2,127)	(38)	–	(2,887)
Written off	–	–	–	(325)	–	–	(325)
Currency realignment	23	3	13	(260)	(24)	–	(245)
At 30 June 2005	3,139	6,004	1,452	53,618	6,152	–	70,365
Net carrying amount							
At 30 June 2005	31,637	4,573	701	66,089	2,146	2,189	107,335

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

Company	Leasehold building $'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 July 2005	4,732	3,967	86	23,120	696	578	33,179
Additions	–	718	–	1,766	21	1,020	3,525
Reclassification	–	–	–	948	–	(948)	–
Disposals	–	–	–	(13)	–	–	(13)
Written off	–	–	–	(2,020)	–	(505)	(2,525)
At 31 December 2005	4,732	4,685	86	23,801	717	145	34,166
Accumulated depreciation							
At 1 July 2005	697	2,719	68	14,861	637	–	18,982
Charge for the year	39	269	4	1,739	15	–	2,066
Disposals	–	–	–	(13)	–	–	(13)
Written off	–	–	–	(918)	–	–	(918)
At 31 December 2005	736	2,988	72	15,669	652	–	20,117
Net carrying amount							
At 31 December 2005	3,996	1,697	14	8,132	65	145	14,049

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

Company

	Leasehold building $'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 July 2004	4,732	3,931	86	20,291	633	531	30,204
Additions	–	36	–	3,272	37	73	3,418
Reclassification	–	–	–	–	26	(26)	–
Disposals	–	–	–	(200)	–	–	(200)
Written off	–	–	–	(243)	–	–	(243)
At 30 June 2005	4,732	3,967	86	23,120	696	578	33,179
Accumulated depreciation							
At 1 July 2004	618	2,347	60	12,670	624	–	16,319
Charge for the year	79	372	8	2,578	13	–	3,050
Disposals	–	–	–	(170)	–	–	(170)
Written off	–	–	–	(217)	–	–	(217)
At 30 June 2005	697	2,719	68	14,861	637	–	18,982
Net carrying amount							
At 30 June 2005	4,035	1,248	18	8,259	59	578	14,197

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

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

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
Leasehold land as at 31 December 2005:				
Cost	1,816	1,804	–	–
Accumulated depreciation	5	4	–	–
Net carrying value	1,811	1,800	–	–
Leasehold buildings as at 31 December 2005:				
Cost	47,322	32,973	4,732	4,732
Accumulated depreciation	5,329	3,136	736	697
Net carrying value	41,993	29,837	3,996	4,035

The net book value of property, plant and equipment under finance leases and hire purchase:-

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
Motor vehicles	40	28	–	–
Building	1,271	–	–	–
Machinery and equipment	6,061	2,083	17	21
	7,372	2,111	17	21

During the period, the Group acquired a subsidiary, which has property, plant and equipment with an aggregate net book value of $1.2 million by means of finance leases.

Certain leasehold land and buildings, including construction-in-progress of the Group with an aggregate net book value of $16.7million (30.6.2005: $17.1 million) were pledged to banks to secure general banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

11. Investment properties

	Group 31.12.2005 $'000	Group 30.6.2005 $'000
Balance at beginning of period/year	231	231
Due to acquisition of subsidiary	150	–
Gain from fair value adjustment recognized in the profit & loss account	221	–
Balance at end of period/year	602	231

The investment properties held by the Group as at 31 December are as follows:-

	Description of property	Tenure of property	Fair Value 31.12.2005 $'000	Fair Value 30.6.2005 $'000
a)	Flat 12, 2/F Hung Tai Industrial Building, 37 – 39 Hung To Road, Kwun Tong, Kowloon, Hong Kong	50 years lease from 1997 (remaining 41 years)	462	231
b)	2-storey semi-detached factory located at Jalan Yos Soedarso Batu Ampar, Pulau Batam	30 years lease from 1990 (remaining 14 years)	140	–
			602	231

a) The investment property was revalued on 31 December 2005 by A-Plus Surveyors Ltd., an independent professionally qualified valuers, at HK$2.2 million on an open market, existing use basis. The investment property is leased to a third party under operating lease.

At 31 December 2005, the investment property has been pledged to a bank to secure general banking facilities as disclosed in Note 20 to the financial statements.

11. Investment properties (cont'd)

b) The investment property was revalued on 31 December 2005 by Chesterton International Property Consultants Pte Ltd, an independent professionally qualified valuers, at S$0.14 million on an open market, existing use basis.

The property rental income earned by the Group for the period ended 31 December 2005 from its investment properties, all of which are leased out under operating leases, amounted to $30,000 (30.6.2005: $37,000). Direct operating expenses arising on the rental-earning investment properties amounted to $5,000 (30.6.2005: $11,000). The property rental income is included in the line of "other income".

12. Intangible assets

	Group			
	Goodwill $'000	Customer-related intangible asset $'000	Club membership $'000	Total $'000
Cost:				
At 1 July 2004	66,678	–	36	66,714
Acquisition of subsidiary	1,255	–	20	1,275
Currency realignment	1	–	–	1
At 30 June 2005 and 1 July 2005	67,934	–	56	67,990
Acquisition of subsidiaries	144,578	12,556	–	157,134
At 31 December 2005	212,512	12,556	56	225,124
Accumulated amortization and impairment:				
At 30 June 2005 and 1 July 2005	–	–	–	–
Amortisation	–	1,794	–	1,794
Impairment	–	–	28	28
At 31 December 2005	–	1,794	28	1,822
Net carrying amount:				
At 31 December 2005	212,512	10,762	28	223,302
At 30 June 2005	67,934	–	56	67,990

12. Intangible assets (cont'd)

The customer-related intangible asset arose from the acquisition of a subsidiary during the current financial period and the Company has engaged an independent third party to perform a fair valuation of this separately identified intangible asset. The useful life of this intangible asset was determined to be 3.5 years and the asset will be amortised on a straight-line basis over the useful life. The amortisation is included in the line "other expenses" in the profit and loss account. Accordingly, the goodwill arising from the acquisition of this subsidiary was adjusted by the corresponding amount of $12.5 million from the $156.0 million as disclosed in the previous year's financial statement to $143.5 million.

The remaining amortisation period of the customer-related intangible asset is 3 years.

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:

- Omni, Podoyo and Sunningdale Tech Ind CGU;
- Omni Tech (Suzhou) ("OTS") CGU;
- Chi Wo CGU; and
- Sunningdale Precision ("SPIL") CGU

OTS CGU, and Chi Wo CGU

The recoverable amounts of the OTS CGU and Chi Wo CGU have been determined based on the fair value less cost to sell of the CGUs. To calculate these values, an appropriate multiple was applied to the maintainable operating earnings of the CGUs.

Omni, Podoyo and Sunningdale Tech Ind CGU, and SPIL CGU

The recoverable amounts of Omni, Podoyo and Sunningdale Tech Ind CGU, and SPIL CGU have been determined based on a value-in-use calculation 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 14.23% and 14.6% for Omni, Podoyo and Sunningdale Tech Ind CGU and SPIL CGU respectively. The growth rate used to extrapolate the cash flows of Omni, Podoyo and Sunningdale Tech Ind CGU and SPIL CGU beyond the five-year period was 4%. The growth rate does not exceed the long-term average growth rates for the countries in which the CGUs operate.

12. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

Carrying amount of goodwill allocated to each CGUs are as follows:-

	31.12.2005 $'000	30.6.2005 $'000
Omni, Podoyo and Sunningdale Tech Ind CGU	13,808	12,807
OTS CGU	–	–
Chi Wo CGU	55,127	55,127
SPIL CGU	143,577	–
Total	212,512	67,934

Key assumptions used in value in use calculations of Omni, Podoyo and Sunningdale Tech Ind CGU and SPIL CGU

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, increased for expected efficiency improvements.

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

Key assumptions used in fair value less cost to sell of OTS CGU and Chi Wo CGU

The fair value less cost to sell of the CGUs were determined by applying an appropriate market multiple to its earnings before interest, tax, depreciation and amortization ("EBITDA"), which management believes is sustainable in view of the current and anticipated business conditions.

The fair values of OTS CGU and Chi Wo CGU were based on current EBITDAs and market multiple of 7.22 times. The market multiples are calculated based on the median of comparable companies' indications, after adjustment for differences in risk and growth.

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

No impairment loss was required for the financial period ended 31 December 2005 for the goodwill assessed as their recoverable amounts were in excess of their carrying amounts.

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13. Other investments

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Quoted shares, at market value	1	–	–	–
Unquoted shares, at cost *	–	101	–	101
	1	101	–	101

* During the current financial period, the Company acquired additional equity interest in this investment such that it is now a subsidiary of the Group. Further details are disclosed in Note 14(b).

14. Investment in subsidiaries

	Company	
	31.12.2005 $'000	30.6.2005 $'000
Unquoted shares at cost	405,900	137,670

Name of company (Country of incorporation)	Principal activities/ Country of business	Cost		Percentage of equity interest held	
		31.12.2005 $'000	30.6.2005 $'000	31.12.2005 %	30.6.2005 %
Held by the Company					
Chi Wo Plastic Moulds Fty Limited (2) (Hong Kong)	Manufacturing and sales of mould and plastic injection products, trading of car audio equipment and investment holding (Hong Kong)	97,763	97,763	100	100

14. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities/ Country of business	Cost 31.12.2005 $'000	Cost 30.6.2005 $'000	Percentage of equity interest held 31.12.2005 %	Percentage of equity interest held 30.6.2005 %
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 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	–	100	–
Sunningdale Tech (Ind) Pte Ltd [1] (Formerly known as Fineplas Tech Pte Ltd) (Singapore)	Manufacturing and sale of dies, tools, jigs, fixtures, high precision steel moulds and plastic products (Singapore)	2,913	–	87	–
		405,900	137,670		

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14. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities/ Country of business	Percentage of equity interest held 31.12.2005 %	30.6.2005 %
Subsidiaries of Chi Wo Plastic Moulds Fty Limited			
Xinlianxing Mould (Shenzhen) Co., Ltd [8] (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 [9] (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 Tech Design Pte Ltd [1] (Singapore)	Product design consultancy, mold flow services, mold design and project management (Singapore)	80	80
Omni Mold Investment Holding Pte Ltd [1] (Singapore)	Investment holding, e-commerce, trading and manufacturing and provision of internet services in precision molds and related activities (Singapore)	100	100
Omni Mold (USA) Inc. [13] (United States of America)	Sales, marketing, liaison, co-ordination and technical support (Dormant) (United States of America)	100	100
Sunningdale Tech Design Pte Ltd [1] (Formerly known as Lifestyle Innovations Pte Ltd) (Singapore)	Development and marketing of lifestyle products (Dormant) (Singapore)	100	100

14. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities/ Country of business	Percentage of equity interest held 31.12.2005 %	30.6.2005 %
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 (Singapore)	100	–
SDP Manufacturing Sdn Bhd (3) (Malaysia)	Manufacturing of plastic and metal parts of machinery and equipment (Malaysia)	100	–
Sunningdale Plastic Sdn Bhd (4) (Malaysia)	Liaison office (Malaysia)	100	–
Sunningdale Plastic Industries (Tianjin) Co., Ltd (5) (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	–

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31 DECEMBER 2005

14. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities/ Country of business	Percentage of equity interest held 31.12.2005 %	30.6.2005 %
Sunningdale Plastic Industries (Shanghai) Co., Ltd [6] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	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	–
Sunningdale Daiwa Seiki Industries Sdn Bhd [4] (Malaysia)	Manufacturing of precision moulds (Malaysia)	60	–
Weltech Precision Tooling Pte Ltd [1] (Singapore)	Manufacturing of moulds, tools and dies (Singapore)	100	–
Polymer System Industries Sdn Bhd [11] (Malaysia)	Manufacturing of moulds and tools (Dormant) (Malaysia)	100	–
Sunningdale Technologies S.A. de C. V. [7] (Mexico)	Manufacturing of precision plastic injection moulding products (Mexico)	100*	–
Sunningdale Plastic Technologies (Tianjin) Co., Ltd [5] (People's Republic of China)	Manufacturing of precision plastic injection moulding products (People's Republic of China)	100	–
Sunningdale Plastic 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	–

14. Investment in subsidiaries (cont'd)

Name of company (Country of incorporation)	Principal activities/ Country of business	Percentage of equity interest held 31.12.2005 %	30.6.2005 %
Subsidiaries of Sunningdale Precision Industries Ltd (cont'd)			
PT. GP Technology Bintan [12] (Indonesia)	Manufacturing of precision plastic injection moulding products (Indonesia)	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	–
Subsidiaries of Omni Mold Investment Holding Pte Ltd			
Omni Tech (Suzhou) Co., Ltd [10] (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, Singapore
(2) Audited Ernst & Young, Hong Kong, SAR
(3) Audited Ernst & Young, Johor Bahru, Malaysia
(4) Audited Ernst & Young, Penang, Malaysia
(5) Audited Ernst & Young, Beijing, the People's Republic of China
(6) Audited Ernst & Young, Shanghai, the People's Republic of China
(7) Audited Ernst & Young, Mexico
(8) Audited by Yuehua Certified Public Accountants Co. Ltd. Shenzhen
(9) Audited by Zhongshan Xiangshan Certified Public Accountant Co., Ltd
(10) Audited by Welsen Certified Public Accountants
(11) Audited by Chong & Associates, Chartered Accountants
(12) Audited by Drs. Sayuti Gazali, Registered Public Accountants
(13) Unaudited because there is no statutory audit requirement in the country of incorporation.
* Includes equity held by a subsidiary company

14. Investment in subsidiaries (cont'd)

a) Merger with Sunningdale Precision Industries Ltd ("SPIL")

On 11 January 2005, the Company and SPIL entered into the Merger Agreement for the proposed merger pursuant to a scheme of arrangement whereby SPIL would become a wholly-owned subsidiary of the Company. This scheme involves the transfer of all SPIL's issued ordinary shares held by SPIL's shareholders to the Company in exchange for new ordinary shares in the Company, at the share exchange ratio of 1.1322 new ordinary shares in the Company for every one SPIL share.

On 16 July 2005, the merger was completed and the Company issued 363,246,304 ordinary shares of $0.05 each for the entire share capital of SPIL. On that day, the market price of the Company's share was $0.725 per share, being the published price of the Company's share at the date of exchange.

The effect of the acquisition of SPIL on the financial position of the Group at 31 December 2005 and its results for the period is shown below:-

	31.12.2005 $'000
Total assets	198,823
Total liabilities	88,634
Contributions to the Group for the period :	
- Revenue	106,905
- Loss before tax	(585)
- Profit after tax	413

b) Acquisition of Sunningdale Tech (Ind) Pte Ltd

On 12 August 2004, the Company entered into an agreement with Cybron Holdings Bhd to form Fineplas Tech Pte Ltd, now known as Sunningdale Tech (Ind) Pte Ltd ("STIPL"). Under the terms of the agreement, the Company subscribed for 1 ordinary share in STIPL and granted a convertible loan of $2.8 million to STIPL. The convertible loan will be convertible into equity shares of STIPL as soon as STIPL becomes profitable over a period of 3 consecutive months between 1 September 2004 to 31 August 2005. Until the convertible loan is converted into shares, STIPL will pay interest in arrears on the convertible loan at 5% per annum. In the event that STIPL is unprofitable for the 12-month period ended 31 August 2005, the convertible loan becomes due and payable and the interest rate shall be revised to 8% per annum.

On 10 November 2005, the Company voluntarily converted the convertible loan into 592,000 ordinary shares of STIPL, which is equivalent to 87% equity interest in STIPL.

14. Investment in subsidiaries (cont'd)

b) Acquisition of Sunningdale Tech (Ind) Pte Ltd (cont'd)

The effect of the acquisition of STIPL on the financial position of the Group at 31 December 2005 and its results for the period is shown below:-

	31.12.2005 $'000
Total assets	5,080
Total liabilities	2,619
Contributions to the Group for the period:	
- Revenue	1,041
- Profit before tax	346
- Profit after tax	300

The fair values of the identifiable assets acquired and the liabilities assumed for (a) and (b) are disclosed in the consolidated cash flow statement.

15. Investment in associates

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Unquoted shares at cost	3,105	3,105	1,458	1,458
Share of net post-acquisition reserves	(1,266)	(893)	–	–
Currency realignment	(525)	(584)	–	–
Carrying amount	1,314	1,628	1,458	1,458
Impairment loss	(74)	(74)	(838)	(681)
Carrying amount after impairment loss	1,240	1,554	620	777

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

15. Investment in associates (cont'd)

Name of company (Country of incorporation and business)	Principal activities	Cost 31.12.2005 $'000	Cost 30.6.2005 $'000	Effective equity interest held by the Group 31.12.2005 %	Effective equity interest held by the Group 30.6.2005 %	Equity interest held by the Company 31.12.2005 %	Equity interest held by the Company 30.6.2005 %
Held by the Company							
Iomni Precision Inc (Philippines)*	Manufacture, assemble and sell precision plastic injection components	1,458	1,458	40#	40#	20	20
		1,458	1,458				
Held through subsidiary							
Synergy MFG Pte Ltd (Singapore)**	Moulding			20	20	–	–

* Audited by Ernst & Young, Philippines
** Audited by T. Y. Kan & Company, Certified Public Accountants
# 20% of unquoted shares in associates is held through a subsidiary, Omni Mold Ltd.

The summarised financial information of the associates are as follows:-

	31.12.2005 $'000	30.6.2005 $'000
Assets and liabilities:		
Current assets	1,970	2,270
Non-current assets	2,675	2,691
Total assets	4,645	4,961
Current liabilities	1,382	892
Non-current liabilities	185	185
Total liabilities	1,567	1,077

15. Investment in associates (cont'd)

	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Results:		
Revenue	1,567	1,889
Loss for the period/year	(934)	(1,869)

16. Stocks

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Finished goods	12,212	2,733	1,151	1,012
Work-in-progress	27,166	11,487	493	163
Raw materials	17,123	10,330	1,675	1,755
Total stocks at lower of cost and net realisable value	56,501	24,550	3,319	2,930
Stocks are stated after deducting allowance for stock obsolescence	4,183	676	384	177

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16. Stocks (cont'd)

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
Analysis of allowance for stock obsolescence:-				
Balance at beginning of period/year	676	582	177	81
Due to acquisition of subsidiary	1,836	285	–	–
Charge for the period/year	1,650	127	207	96
Written off	–	(313)	–	–
Currency realignment	21	(5)	–	–
Balance at end of period/year	4,183	676	384	177
Gross amount due from/(to) customers for work-in-progress:-				
Work-in-progress incurred to date	41,148	28,375	3,867	4,489
Recognised profits less recognised losses to date	7,367	7,732	242	312
	48,515	36,107	4,109	4,801
Progress billings	(27,152)	(25,894)	(3,713)	(4,638)
Amount due from/(to) customers, net	21,363	10,213	396	163
Comprising:				
Amount due from customers	27,166	11,487	493	163
Amount due to customers (Note 19)	(5,803)	(1,274)	(97)	–

	Group	
	31.12.2005	30.6.2005
	$'000	$'000
Analysis of allowance for foreseeable losses:		
Balance at beginning of period/year	–	104
Written back for the period/year	–	(104)
Balance at end of period/year	–	–

17. Trade and other receivables

	Group		Company	
	31.12.2005	**30.6.2005**	**31.12.2005**	**30.6.2005**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	99,390	37,128	9,454	8,134
Amounts due from subsidiaries				
– trade	–	–	82	22
– non-trade	–	–	8,618	5,791
Amounts due from related parties				
– trade	115	257	–	227
– non-trade	–	160	–	111
Amounts due from an investee company – non-trade	–	309	–	309
Convertible loan to an investee company (Note 14(b))	–	2,800	–	2,800
Loan due from a minority shareholder of a subsidiary	1,526	–	–	–
Dividends receivable from subsidiary	–	–	–	6,034
Sundry receivables	3,612	2,833	1,977	2,657
Staff loan	19	7	7	–
Deposits	2,150	1,375	264	197
	106,812	44,869	20,402	26,282

Trade receivables are non-interest bearing and are generally on 30 to 105 days' terms. They are recognised at their original invoice amounts, which represents their fair values on initial recognition. Included in trade receivables of the Group is an amount of $70.6 million (30.6.3005: $16.6 million) denominated in US dollar.

The non-trade amounts due from subsidiaries, related parties and an investee company were unsecured, interest free and repayable on demand.

All amounts with subsidiaries and related parties are to be settled in cash.

The loan due from a minority shareholder of a subsidiary is unsecured, carries interest at 8% per annum and repayable on 31 March 2007.

17. Trade and other receivables (cont'd)

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Trade receivables are stated after deducting allowance for doubtful debts of	6,773	733	308	230
Analysis of allowance for doubtful debts:				
Balance at beginning of period/year	733	134	230	69
Due to acquisition of subsidiary	5,094	100	–	–
Charge for the period/year	949	498	78	161
Currency realignment	(3)	1	–	–
Balance at end of period/year	6,773	733	308	230

18. Cash and short-term deposits

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Cash at bank and in hand	40,465	16,153	2,301	2,062
Short term deposits	18,094	9,610	–	–
	58,559	25,763	2,301	2,062

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 1.6% to 7.6% per annum.

As at 31 December 2005, the Company had available $1.4 million (30.6.2005: Nil) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

18. Cash and short-term deposits (cont'd)

Cash and cash equivalents

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

	Group	
	31.12.2005	**30.6.2005**
	$'000	**$'000**
Cash at bank and in hand	58,559	25,763
Bank overdrafts, unsecured	(5,361)	(4,424)
	53,198	21,339
Fixed deposits, pledged	(1,671)	(1,674)
Bank balances, pledged	(671)	(673)
	50,856	18,992

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 4.25% to 6.75% (30 June 2005: 4.25% to 6.75%) p.a. Interest rates of bank overdrafts are repriced at an interval of 1 month.

The bank balances and fixed deposits are pledged as security for the Group's bank loans as disclosed in Note 20.

19. Trade and other payables

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Trade payables	62,611	38,363	12,822	12,742
Amounts due to subsidiaries				
- trade	–	–	4,927	3,550
- non-trade	–	–	104	609
Loans due to subsidiaries				
- non-trade	–	–	4,267	5,704
Amounts due to related parties				
- trade	30	306	–	77
- non-trade	182	–	–	–
Amount due to a corporate shareholder – trade	512	1,090	512	1,090
Sundry creditors	4,440	–	–	–
Amount due to customers (Note 16)	5,803	1,274	97	–
Trade accrual	595	393	115	98
Accrued machine purchase	8,513	–	–	–
Accrued other operating expenses	4,593	2,914	1,497	442
Accrued directors' fees payable	221	225	131	225
Accrued staff & related costs	9,334	6,766	785	1,220
Accrual for VAT	226	169	–	–
Accrued interest payable	594	260	244	209
Accrued royalty payable	227	–	–	–
	97,881	51,760	25,501	25,966

Trade payables are non-interest bearing and are normally settled on 30-60 days terms. Included in trade payables of the Group are amounts of $20.3 million (30.6.2005: $11.7 million) and $6.9 million (30.6.2005: Nil) denominated in US dollars and Euro dollars respectively.

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

All amounts with subsidiaries and related parties are to be settled in cash.

The loans due to subsidiaries are non-trade related, unsecured, and repayable on demand. Of the loans, $3.2m (30.6.2005: $3.2m) is interest bearing at a range of 5.75% to 6.7% per annum (30.6.2005: 2.85% - 5.75% per annum).

20. Interest-bearing bank loans and borrowings

	Effective interest rate	Maturities	Group 31.12.2005 $'000	Group 30.6.2005 $'000	Company 31.12.2005 $'000	Company 30.6.2005 $'000
Current						
Unsecured short term loans	2.36% – 3.91%	2006	52,108	16,885	23,885	16,885
Unsecured bank loans	4.79% – 5.41%	2006	16,329	–	14,662	–
Secured bank loans	2.36% – 7.50%	2006	11,308	20,321	–	13,863
Secured bankers acceptance	4.16% – 4.70%	2006	616	172	–	–
Finance lease liabilities/Hire purchase creditors	2.48% – 7.00%	2006	1,218	333	2	7
			81,579	37,711	38,549	30,755
Non-current						
Unsecured bank loans	4.79% – 5.41%	2007	11,759	–	9,537	–
Secured bank loans	2.36% – 7.50%	2007-2010	11,225	22,628	–	14,792
Finance lease liabilities/Hire purchase creditors	2.48% – 7.00%	2007	247	145	–	–
			23,231	22,773	9,537	14,792

The subsidiary companies' loans are secured by:-

(a) time deposit of $1.7 million (30.6.2005: $1.7 million);

(b) mortgage over land and buildings with an aggregate net book value at balance sheet date of $16.7 million (30.6.2005: $17.1 million);

(c) mortgage over investment property with an aggregate net book value at balance sheet date of $0.5 million (30.6.2005: $0.2 million);

(d) bank balance of $0.7 million (30.6.2005: $0.7 million) at the balance sheet date; and

(e) corporate guarantee given by the Company.

20. Interest-bearing bank loans and borrowings (cont'd)

Finance lease liabilities/Hire purchase creditors:

The finance lease liabilities expire over the next two years. The average discount rate implicit in the leases is about 4.36% per annum (30.6.2005: 4.31% per annum). Future minimum lease payments under finance leases and hire purchase creditors together with the present value of the net minimum lease payments are as follows:-

Group	Minimum Payments 31.12.2005 $'000	Present Value of Payments 31.12.2005 $'000	Minimum Payments 30.6.2005 $'000	Present Value of Payments 30.6.2005 $'000
Within one year	1,391	1,218	333	333
After one year but not more than five years	191	247	200	145
Total minimum lease payments	1,582	1,465	533	478
Less amounts representing finance charges	(117)	–	(55)	–
Present value of minimum lease payments	1,465	1,465	478	478
Company				
Within one year	2	2	8	7
Total minimum lease payments	2	2	8	7
Less amounts representing finance charges	–	–	(1)	–
Present value of minimum lease payments	2	2	7	7

All assets acquired under finance leases and hire purchase creditors are secured. The net carrying value of assets acquired under finance leases and hire purchase creditors is disclosed in Note 10.

The finance leases do not contain any escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group and the Company activities concerning dividends, additional debts or entering into other leasing agreements.

21. Deferred taxation

	Group				Company	
	Consolidated balance sheet		Consolidated profit and loss account		Balance sheet	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets						
Unutilised tax benefits	1,819	-	(1,735)	-	-	-
	1,819	-			-	-
Deferred tax liabilities						
Differences in depreciation	5,570	4,092	121	131	914	1,124
	5,570	4,092			914	1,124

The Group has tax losses of approximately $9.3m (30.6.2005: $6.3m) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. 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.

As at 31 December 2005, there is no unrecognized deferred income tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries or associates.

There are no income tax consequences attaching to the payment of dividends by the Company to the shareholders of the Company.

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22. Share capital

	Company			
	31.12.2005		30.6.2005	
	Number of shares '000	$'000	Number of shares '000	$'000
Authorised:-				
Ordinary shares of $0.05 each				
Balance at beginning of period/year	2,000,000	100,000	500,000	25,000
Increased during the period/year	–	–	1,500,000	75,000
Balance at end of period/year	2,000,000	100,000	2,000,000	100,000
Issued and fully paid:-				
Balance at beginning of period/year	370,818	18,541	325,176	16,259
Issued during the year				
Issued for acquisition of Sunningdale Precision Industries Ltd at a premium of $0.675 each	363,246	18,162	–	–
Issued for cash under employee share option plan at a premium of $0.27 each	861	43	–	–
Issued for acquisition of Podoyo Plastic Industries (M) Sdn Bhd at a premium of $0.63 each	–	–	7,410	371
Issued for balance payment for acquisition of Chi Wo Plastics Moulds Fty Ltd at a premium of $0.6619 each	–	–	38,232	1,911
Balance at end of period/year	734,925	36,746	370,818	18,541

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 Company has employee share option and share award plans (Note 27) under which options and share awards to subscribe for the Company's ordinary shares have been granted to employees.

23. Other reserves

a) Statutory reserve

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
At beginning of period/year	511	–	–	–
Transfer from revenue reserve	1,155	511	–	–
At end of period/year	1,666	511	–	–

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.

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		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
At beginning of period/year	(1,839)	(1,145)	–	–
Net effect of exchange differences	1,378	(694)	–	–
At end of period/year	(461)	(1,839)	–	–

23. Other reserves (cont'd)

c) Employee share option reserve

Employee share option reserve represents the equity-settled share awards granted to employees (Note 27). The reserve is made up of cumulative value of services received from employees recorded on grant of equity-settled share awards.

	Group		Company	
	31.12.2005	**30.6.2005**	**31.12.2005**	**30.6.2005**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of period/year	–	–	–	–
Grant of equity-settled share awards	222	–	134	–
At end of period/year	222	–	134	–

d) Capital reserve

The reserve is made up of the Sunningdale Tech Ltd Share Option Scheme ("STLSOS") issued to replace the Sunningdale Precision Share Option Scheme ("SPSOS") in connection with the acquisition of Sunningdale Precision Industries Ltd during the current period.

	Group		Company	
	31.12.2005	**30.6.2005**	**31.12.2005**	**30.6.2005**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of period/year	–	–	–	–
Issue of STLSOS for acquisition of Sunningdale Precision Industries Ltd	307	–	307	–
Exercise of STLSOS	(300)	–	(300)	–
Cancellation of STLSOS	(1)	–	(1)	–
At end of period/year	6	–	6	–

23. Other reserves (cont'd)

e) Dividend reserve

Dividends proposed for the financial period/year, but have yet to be paid out by period/year end is being set aside in this reserve.

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
At beginning of period/year	4,404	4,878	4,404	4,878
Dividend paid for the period/year	(4,404)	(4,878)	(4,404)	(4,878)
Dividend for the period/year, proposed	–	4,404	–	4,404
At end of period/year	–	4,404	–	4,404
Total other reserves	1,433	3,076	140	4,404

24. Future capital expenditure

	Group		Company	
	31.12.2005	30.6.2005	31.12.2005	30.6.2005
	$'000	$'000	$'000	$'000
Capital expenditure contracted for as at balance sheet date but not recognised in the financial statements:-				
Commitments in respect of purchase of				
- plant & machinery	964	3,672	639	828
- office equipment	5	1,522	5	–
- leasehold land & building	764	2,933	–	–
- leasehold improvement	–	1,866	–	695
	1,733	9,993	644	1,523

25. Commitments

a) Operating lease commitments – As lessee

The Group and the Company has entered into commercial leases principally for land rent, office, production floor and warehouse and equipment with lease terms of between 1 to 5 years. Operating lease expenses recognised for the period are as follows:-

	Group		Company	
	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000	1.7.2005 to 31.12.2005 $'000	1.7.2004 to 30.6.2005 $'000
Operating lease expenses	3,272	1,528	716	982

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

	Group		Company	
	31.12.2005 $'000	30.6.2005 $'000	31.12.2005 $'000	30.6.2005 $'000
Within one year	5,822	1,666	1,409	1,166
After one year but not more than five years	9,841	2,372	1,140	1,415
More than five years	6,872	4,828	1,898	2,538
	22,535	8,866	4,447	5,119

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 and the Company 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.

25. Commitments (Cont'd)

b) Operating lease commitments – As lessor

The Group leases its investment properties and certain machinery under operating lease arrangements, with the leases negotiated for terms ranging from 1 to 3 years. The terms of the leases generally also require the tenants to pay security deposits.

At the balance sheet date, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	31.12.2005	**30.6.2005**
	$'000	**$'000**
Within one year	81	17
After one year but not more than five years	103	–
	184	17

26. Contingent liabilities

Corporate Guarantees

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

(i) Banking facilities for Podoyo Plastic Industries (M) Sdn Bhd, to a limit of $13.5 million (30.6.2005: $14.0 million). At 31 December 2005, $9.6 million (30.6.2005: $8.7 million) had been drawndown under the facilities, of which $3.4 million (30.6.2005: $3.9 million) and $6.2 million (30.6.2005: $4.8 million) are reflected in the consolidated balance sheet in current and non-current interest-bearing loans and borrowings respectively.

(ii) Banking facility for Sunningdale Tech (Ind) Pte Ltd, to a limit of $1.7 million (30.6.2005: $1.7 million). At 31 December 2005, $1.4 million (30.6.2005: $1.6 million) had been drawndown under the facilities, of which $0.6 million (30.6.2005: Nil) and $0.8 million (30.6.2005: Nil) are reflected in the consolidated balance sheet in current and non-current interest-bearing loans and borrowings respectively.

(iii) Unlimited corporate guarantee for Chi Wo Plastic Moulds Fty Limited's banking facilities (30.6.2005: Nil). At 31 December 2005, $6.2 million (30.6.2005: Nil) had been drawndown under the facilities, of which $3.9 million (30.6.2005: Nil) and $2.3 million (30.6.2005: Nil) are reflected in the consolidated balance sheet in current and non-current interest-bearing loans and borrowings respectively.

(iv) Banking facilities for SDP Manufacturing Sdn Bhd, to a limit of $5.2 million (30.6.2005: Nil). At 31 December 2005, $2.2 million (30.6.2005: Nil) had been drawndown under the facilities, of which $0.3 million (30.6.2005: Nil) and $1.9 million (30.6.2005: Nil) are reflected in the consolidated balance sheet in current and non-current interest-bearing loans and borrowings respectively.

27. Employees share option plan

a) Sunningdale Tech Ltd Employee Share Option Scheme ("STLSOS")

On 16 July 2005, the Company issued 795,000 STLSOS in connection with the merger with Sunningdale Precision Industries Ltd and its subsidiaries. Each option is entitled to subscribe for 1.1322 ordinary shares in the Company and exercise price of each option is $0.32. The STLSOS vested on 31 July 2005 and employees can exercise the options between 31 July 2005 to 31 July 2013. There are no cash settlement alternatives.

Details of the share options to subscribe for ordinary shares of $0.05 each of the Company are as follows:

	Number '000 31.12.2005	Weighted average exercise price ($) 31.12.2005
Granted during the period	795	$0.67
Exercised during the period	(776)	$0.63
Cancelled during the period	(3)	$0.63
Outstanding and exercisable at end of period	16	$0.62

The outstanding share options will expire if unexercised by 31 July 2013. The weighted average fair value of options granted during the period was $0.386. The fair value of share options as at the date of grant, is estimated by an external valuer using a Trinomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used for the period ended 31 December 2005 are shown below.

	31.12.2005
Dividend yield (%)	Nil
Expected volatility (%)	38
Risk-free interest rate (%)	1.84
Expected life of option (years)	0.25
Weighted average share price ($)	0.705

The expected life of the options 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 option grant were incorporated into the measurement of fair value.

The above options outstanding as at the end of this financial period will expire if unexercised by 2013.

27. Employees share option plan (cont'd)

b) Restricted Share Plan ("RSP")

On 1 March 2005, the Company granted 760,000 RSP share awards to a group of employees. The RSP grants the recipients rights to receive fully paid ordinary shares of par value $0.05 each in the capital of the Company, their equivalent cash value or combinations thereof, free of charge, upon expiry of specified vesting periods. 50% of the award is released upon expiry of 18 months from date of grant, while the remaining 50% is released 12 months thereafter.

Details of the RSP are as follows:

	Number '000 31.12.2005	Weighted average exercise price ($) 31.12.2005	Number '000 30.6.2005	Weighted average exercise price ($) 30.6.2005
Outstanding at beginning of period/year	740	$0.67	–	–
Granted during the period/year	–	–	760	$0.74
Cancelled during the period/year	(50)	$0.65	(20)	$0.73
Outstanding at end of period/year	690	$0.64	740	$0.67

The weighted average remaining contractual life for these awards is 14 months. The weighted average fair value of the RSP as at the date of grant was $0.722 which 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 inputs to the model used are shown below.

	31.12.2005
Dividend yield ($)	0.006 – 0.12
Expected volatility (%)	38
Risk-free interest rate (%)	1.931 – 2.106
Expected life of option (months)	18 – 30
Last traded share price ($)	0.74

The expected life of the options 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 in the profit and loss account for the RSP for the Group and the Company for the financial period amounted to $0.2 million and $0.1 million respectively. The carrying amount of the Group and the Company's employee share option reserve relating to the above equity-settled RSP are $0.2 million and $0.1 million respectively.

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28. 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.

a) Sale and purchase of goods and services

During the period, the following significant transactions were entered into between the Group and related parties who are not members of the Group at terms agreed between them:-

	Group	
	31.12.2005	30.6.2005
	$'000	$'000
Associates		
Rental income from	–	14
Purchases from	–	75
Investee company		
Interest income from	–	111
Sales commission paid to	–	75
A corporate shareholder		
Sales to	–	213
Purchases from	–	1
Management fee and share charges paid to	–	747
Reciprocal sales & services paid to	–	829
Others	–	310
Related parties		
Sales to	235	462
Purchases from	–	96
Purchase of property, plant and equipment from	–	112

28. Related party transactions (cont'd)

b) Compensation of key management personnel

	Group	
	1.7.2005 31.12.2005 $'000	1.7.2004 30.6.2005 $'000
Short-term employee benefits	3,686	3,714
Pension benefits	74	34
Share-based payments	63	28
Total compensation paid to key management personnel	3,823	3,776
Comprise amounts paid to:		
• Directors of the Company	1,396	1,663
• Other key management personnel	2,427	2,113
	3,823	3,776

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

No share options or awards have been granted to the Company's directors.

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

Number of Directors in remuneration bands

	1.7.2005 to 31.12.2005	1.7.2004 to 30.6.2005
- $500,000 and above	1	1
- $250,000 to $499,999	2	2
- below $250,000	7	6

29. Financial instruments

Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans and overdrafts, finance leases and hire purchase contracts, 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.

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

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's fixed deposits and long-term debt obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

29. Financial instruments (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:

31.12.2005 **Group**	**Within 1 year** **$'000**	**1 - 2 years** **$'000**	**2 – 3 years** **$'000**	**3 - 4 years** **$'000**	**4 - 5 years** **$'000**	**Total** **$'000**
Fixed rate						
Finance lease/hire purchase creditor	(1,218)	(247)	–	–	–	(1,465)
Bank loans	(12,827)	(4,453)	–	–	–	(17,280)
Floating rate						
Cash assets	58,559	–	–	–	–	58,559
Bank overdrafts	(5,361)	–	–	–	–	(5,361)
Bankers acceptance	(616)	–	–	–	–	(616)
Bank loans	(66,918)	(14,861)	(2,198)	(1,051)	(421)	(85,449)
Company						
Fixed rate						
Finance lease/hire purchase creditor	(2)	–	–	–	–	(2)
Bank loans	(8,905)	(4,453)	–	–	–	(13,358)
Floating rate						
Cash assets	2,301	–	–	–	–	2,301
Bank overdrafts	(1,931)	–	–	–	–	(1,931)
Bank loans	(29,642)	(5,084)	–	–	–	(34,726)
Loans from a subsidiary	(3,225)	–	–	–	–	(3,225)

29. Financial instruments (cont'd)

a) Interest rate risk (cont'd)

30.6.2005 **Group**	Within 1 year $'000	1 - 2 years $'000	2 – 3 years $'000	Total $'000
Fixed rate				
Finance lease/hire purchase creditor	(333)	(145)	–	(478)
Bank loans	(8,940)	(8,940)	–	(17,880)
Floating rate				
Cash assets	25,763	–	–	25,763
Bank overdrafts	(4,424)	–	–	(4,424)
Bankers acceptance	(172)	–	–	(172)
Bank loans	(28,266)	(12,458)	(1,230)	(41,954)
Company				
Fixed rate				
Finance lease/hire purchase creditor	(7)	–	–	(7)
Bank loans	(8,940)	(8,940)	–	(17,880)
Floating rate				
Cash assets	2,062	–	–	2,062
Bank overdrafts	(2,765)	–	–	(2,765)
Bank loans	(21,808)	(4,923)	(929)	(27,660)
Loans from a subsidiary	(3,233)	–	–	(3,233)

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.

29. Financial instruments (cont'd)

b) Foreign currency risk

The Group's major foreign currency risk exposures result from sales transactions denominated in foreign currencies, primarily in US dollars. The Group does not have formal policies for managing its foreign exchange risk.

In addition to transactional exposures, the Group is also exposed to foreign exchange movements on its net investment in foreign subsidiaries and associates. The Group uses foreign currency borrowings as a natural hedge against such exposures.

c) Credit risk

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.

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.

d) Liquidity risk

To manage liquidity risk, the Group monitors its net operating cash flow, maintains a level of cash and cash equivalents and secured committed funding facilities from financial institutions. Short-term funding is obtained from overdraft and short-term facilities.

e) Commodity price risk

The Group's exposure to price risk is minimal.

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

29. Financial instruments (cont'd)

Fair value of financial instruments (cont'd)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

Bank balances, short-term receivables, payables and borrowings

Management has determined that the carrying amounts of cash and short-term deposits, trade and other receivables, bank overdrafts, trade and other payables and current bank loans, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

Long-term borrowings

The fair values of long-term borrowings are estimated using discounted cash flow analysis, based on current incremental lending rates for similar type of lending and borrowing arrangement. The carrying amounts of long-term borrowings approximate their fair values at balance sheet date.

30. Financial information by segment on Group's operations

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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30. Financial information by segment on Group's operations (con'td)

Business Segment

The Group has classified their business activities into the following segments:-
- The Automotive segment produces mainly car radios, lighting systems and electronic air temperature controllers
- The Telecommunication segment produces mainly mobile phones, cordless phones, battery housing and pagers
- The Consumer/IT and medical segment produces mainly IT, consumer and medical products
- The Mould Fabrication segment designs and manufactures the moulds used in the manufacturing of plastic injection parts

Geographical Segment

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the billing address of its customers.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

30. Financial information by business segment on Group's operations (cont'd)

By business segment:

	31.12.2005					
	Automotive $'000	**Tele-communication $'000**	**Consumer/IT and Medical $'000**	**Mould Fabrication $'000**	**Elimination $'000**	**Consolidated $'000**
Revenue						
External sales	44,117	45,090	94,525	50,490		234,222
Inter-segment sales	19,289	18,663	8,940	11,669	(58,561)	–
Total Revenue	63,406	63,753	103,465	62,159		234,222
Result						
Segment results	2,591	520	5,964	7,679		16,754
Finance costs	(301)	(228)	(1,185)	(538)		(2,252)
Share of loss of associates	–	–	(374)	–		(374)
Profit before taxation	2,290	292	4,405	7,141		14,128
Taxation						(3,216)
Profit for the period						10,912
Segment assets and liabilities						
Segment assets	82,799	82,171	164,705	87,930		417,605
Intangible assets	61,022	65,083	12,269	84,928		223,302
Investment in associates	–	–	1,240	–		1,240
Unallocated assets						1,961
Total assets						644,108
Segment liabilities	36,184	35,491	90,437	45,939		208,051
Unallocated liabilities						22,896
Total liabilities						230,947
Other segment information:						
Capital expenditure						
• Property, plant and equipment	45,537	49,838	19,444	23,178		137,997
• Intangible assets	61,720	65,840	11,120	18,454		157,134
Depreciation and amortisation	3,235	2,999	5,478	3,856		15,568
Property, plant and equipment write off	47	–	1,826	–		1,873
Allowance for stock obsolescence	105	1,010	549	(14)		1,650

30. Financial information by segment on Group's operations (cont'd)

By business segment:

	30.6.2005				
	Automotive $'000	Consumer/IT and Medical $'000	Mould Fabrication $'000	Elimination $'000	Consolidated $'000
Revenue					
External sales	3,357	122,493	66,410		192,260
Inter-segment sales	1,274	1,685	3,964	(6,923)	–
Total Revenue	4,631	124,178	70,374		192,260
Result					
Segment results	16	17,396	11,667		29,079
Finance costs	(33)	(1,194)	(647)		(1,874)
Share of loss of associates	–	–	(766)		(766)
Profit before taxation	(17)	16,202	10,254		26,439
Taxation					(5,068)
Profit for the year					21,371
Other Segment Information					
Segment assets	3,556	129,750	70,344		203,650
Intangible assets	101	1,276	66,714		68,091
Investment in associates	–	1,554	–		1,554
Total assets					273,295
Segment liabilities	2,043	74,523	40,402		116,968
Unallocated liabilities					15,783
Total liabilities					132,751
Other segment information:					
Capital expenditure					
• Property, plant and equipment	2,319	38,332	7,343		47,994
• Intangible assets	–	1,275	–		1,275
Depreciation and amortisation	268	7,823	4,867		12,958

30. Financial information by segment on Group's operations (cont'd)

By geographical locations:

31.12.2005	Singapore & Malaysia $'000	China & Hong Kong $'000	America $'000	Europe $'000	Others $'000	Consolidated $'000
Revenue						
External sales	63,963	114,234	29,379	12,547	14,099	234,222
Other geographical information:						
Segment assets	380,922	250,388	–	–	12,798	644,108
Capital expenditure						
• Property, plant and equipment	71,232	53,791	–	–	12,974	137,997
• Intangible assets	78,243	68,335	–	–	10,556	157,134
30.6.2005						
Revenue						
External sales	30,881	135,561	19,511	6,307	–	192,260
Other geographical information:						
Segment assets	83,563	189,732	–	–	–	273,295
Capital expenditure						
• Property, plant and equipment	25,990	22,005	–	–	–	47,995
• Intangible assets	1,255	–	–	–	–	1,255

31. Comparatives

On 4 November 2005, the Group and the Company changed its financial year-end from 30 June to 31 December. The current financial period covers 6 months from 1 July 2005 to 31 December 2005.

The comparatives cover the financial year ended 30 June 2005.

32. Subsequent event

a) New shares granted under RSP

On 13 January 2006, the Company has granted 7,071,000 share awards to certain directors and key employees of the Group and the Company.

One-third of the share awards will be vested on 13 January 2007, another one-third on 13 January 2008 and the remaining one-third on 13 January 2009. All the share awards will only be released on 13 January 2009.

For employees who resign before delivery date, the shares vested before the date of resignation shall be released on 13 January 2009 subject to an adjustment for the length of service set out in the terms and condition of the offer letters issued to the employees.

b) Share options

On 27 January 2006, the remaining 16,000 share options were exercised. A total of 18,115 ordinary shares were issued for cash, at the exercise price of $0.32 per share.

33. Authorisation of financial statements for issue

The financial statements for the period ended 31 December 2005 were authorized for issue in accordance with a resolution of the directors on 24 March 2006.

STATISTICS OF SHAREHOLDINGS

AS AT 15TH MARCH 2006

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	129	2.99	57,423	0.01
1,000 - 10,000	2,648	61.34	13,588,211	1.85
10,001 - 1,000,000	1,506	34.88	65,182,928	8.87
1,000,001 AND ABOVE	34	0.79	656,114,081	89.27
TOTAL	4,317	100.00	734,942,643	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	TGI HOLDINGS, INC.	150,993,500	20.54
2	SUNNINGDALE HOLDINGS PTE LTD	114,584,464	15.59
3	MERRILL LYNCH (SINGAPORE) PTE LTD	54,463,076	7.41
4	CENTURY PRIVATE EQUITY HOLDINGS (S) PTE LTD	54,332,413	7.39
5	CITIBANK NOMINEES SINGAPORE PTE LTD	42,739,676	5.82
6	ASSET CONCEPT INVESTMENTS LIMITED	38,231,974	5.20
7	LIM & TAN SECURITIES PTE LTD	27,733,147	3.77
8	NEO AGE SENG	24,113,300	3.28
9	DBS NOMINEES PTE LTD	22,783,184	3.10
10	HSBC (SINGAPORE) NOMINEES PTE LTD	21,331,627	2.90
11	MAYBAN NOMINEES (S) PTE LTD	17,022,000	2.32
12	OVERSEAS UNION BANK NOMINEES PTE LTD	15,380,000	2.09
13	UNITED OVERSEAS BANK NOMINEES PTE LTD	9,001,400	1.22
14	HL BANK NOMINEES (S) PTE LTD	8,056,100	1.10
15	THE ASIA LIFE ASSURANCE SOCIETY LTD-PAR FUND	6,361,831	0.87
16	PHILLIP SECURITIES PTE LTD	5,493,644	0.75
17	CIMB-GK SECURITIES PTE. LTD.	5,329,820	0.73
18	KIM ENG SECURITIES PTE. LTD.	5,190,701	0.71
19	OCBC SECURITIES PRIVATE LTD	4,352,005	0.59
20	WONG WAI CHUEN ERIC	4,240,625	0.58
	TOTAL	631,734,487	85.96

The percentage of shareholdings in the hands of the public is 38.25%. Therefore, Rule 723 of the listing manual has been complied with.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as at 15 March 2006

	No. of Ordinary Shares				
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**	**Total interest**
TGI Holdings Inc.	150,993,500	20.54	-	-	20.54
Steven Uhlmann	800,000	0.11	150,993,500	20.54	20.65
Haldun Tashman	-	-	150,993,500	20.54	20.54
Neo Age Seng	43,643,300	5.94	30,000	0.004	5.94
Wong Chi Hung	-	-	38,231,974	5.20	5.20
Asset Concept Investments Limited	38,231,974	5.20	-	-	5.20
Ng Boon Hoo	7,332,860	1.02	131,567,464	17.90	18.92
Sunningdale Holdings Pte Ltd	131,567,464	17.90	-	-	17.90
Temasek Holdings (Private) Limited	-	-	54,558,853	7.42	7.42
Temasek Capital (Private) Limited	-	-	54,332,413	7.39	7.39
Seletar Investments Pte Ltd	-	-	54,332,413	7.39	7.39
NewSmith Opportunities Hedge Fund LP	54,891,321	7.47	-	-	7.36
NewSmith Capital Partners LLP	4,542,980	0.62	54,891,321	7.47	8.09

NOTICE OF ANNUAL GENERAL MEETING

SUNNINGDALE TECH LTD
(Company Registration No. 199508621R)
Incorporated in the Republic of Singapore

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at the Lavender Room, Level 3, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 on Tuesday, 25 April 2006 at 10.30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts for the financial period from 1 July 2005 to 31 December 2005 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$131,105 for the period from 1 July 2005 to 31 December 2005. (For financial year ended 30 June 2005: S$329,194). **(Resolution 2)**

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

   (i) Dr Ng Boon Hoo **(Resolution 3)**
   (ii) Mr Wong Chi Hung **(Resolution 4)**
   (iii) Mr S. Iswaran **(Resolution 5)**

   (Notes: (i) Dr Ng Boon Hoo upon re-election, shall remain as an Executive Director and the Chief Operating Officer;
   (ii) Mr Wong Chi Hung upon re-election, shall remain as an Executive Director;and
   (iii) Mr S. Iswaran upon re-election, shall remain as a non-Executive Director and as a member of the Audit Committee)

4. 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 is considered as an Independent Director pursuant to Rule 704(8) of the Listing Manual of SGX-ST)

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

AS SPECIAL BUSINESS

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

6. 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 in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

(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

(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 to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the issued share 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 twenty per cent. (20%) of the issued share capital 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 Singapore Exchange Securities Trading Limited ("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 share capital shall be based on the issued share 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 8)

NOTICE OF ANNUAL GENERAL MEETING

7. 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 the Directors of the Company be and are hereby authorised pursuant to Section 161 of the Companies Act, Chapter 50 to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the STL ESOS, upon the exercise of such options and in accordance with the terms and conditions of the Scheme, as well as to allot and issue shares pursuant to the vesting of share awards under the STL RSP and STL PSP, provided always that the aggregate number of shares to be issued and allotted pursuant to the STL ESOS, STL RSP and STL PSP shall not exceed 15% of the total issued share capital of the Company from time to time.

(Resolution 9)

8. RENEWAL OF MANDATE FOR SHARE PURCHASE

THAT: -

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore ("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 not exceeding in aggregate the Prescribed Limit (as defined in this Ordinary Resolution), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined in this Ordinary Resolution), whether by way of:

(i) market purchases (each a "Market Purchase") on the SGX-ST; and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, 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 ("Share Purchase Mandate");

(b) 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 in paragraph (a) of this Ordinary Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

(i) the date on which the next annual general meeting of the Company is held; or

(ii) the date by which the next annual general meeting of the Company is required by law to be held;

(c) in this Ordinary Resolution:

"Prescribed Limit" means in relation to any purchase or acquisition of ordinary shares, 10% of the issued ordinary share capital of the Company as at the date of the passing of this Ordinary Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

"Maximum Price" in relation to an ordinary share to be purchased (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined in this Ordinary Resolution); and

(ii) in the case of an Off-Market Purchase, 110% of the Highest Last Dealt Price (as defined in this Ordinary Resolution),

where:

"Average Closing Price" means the average of the Closing Market Prices of the ordinary shares or Preference Shares (as the case may be) over the last five (5) Market Days on the SGX-ST, on which transactions in the ordinary shares were recorded, immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"Closing Market Price" means the last dealt price for an ordinary share transacted through the SGX-ST's Central Limit Order Book (CLOB) trading system as shown in any publication of the SGX-ST or other sources;

"Highest Last Dealt Price" means the highest price transacted for an ordinary share as recorded on the SGX-ST on the Market Day on which there were trades in the ordinary shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the Off-Market Purchase of ordinary shares from ordinary shareholders, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each ordinary share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution. **(Resolution 10)**

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

BY ORDER OF THE BOARD

DOROTHY HO
Company Secretary

Dated: 8 April 2006

NOTICE OF ANNUAL GENERAL MEETING

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 18 Joo Koon Crescent, Singapore 629019 not less tha 48 hours before the time set for holding the meeting.

STATEMENT PURSUANT TO ARTICLE 54
OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

Resolution 8 is to empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total fifty per cent. (50%) of the issued share capital of the Company with a sub-limit of twenty per cent. (20%) for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital will be calculated based on the issued share capital of the Company at the time that Resolution 8 is passed, after adjusting for 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 that Resolution 8 is passed, and any subsequent consolidation or subdivision of shares.

Resolution 9 is to empower the Directors to 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 issued share capital of the Company from time to time.

Resolution 10 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 Shareholders 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.

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 11th Annual General Meeting of the Company, to be held on 25 April 2006 at 10.30 a.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.	Approval of Directors' Fees		
3.	Re-election of Dr Ng Boon Hoo		
4.	Re-election of Mr Wong Chi Hung		
5.	Re-election of Mr S. Iswaran		
6.	Re-appointment of Mr Steven Tan Chee Chuan		
7.	Re-appointment of Auditors		
8.	Authority to Issue Shares		
9.	Authority to allot and issue shares pursuant to Sunningdale Tech Share Option Scheme, Sunningdale Tech Restricted Share Plan and Sunningdale Tech Performance Share Plan		
10.	Renewal of Mandate for Share Purchase		

Signed this ______________ day of ___________________ 2006

	Total Number of Shares
In CDP Register	
In Register of Members	

____
Signature(s) of Member(s)/Common Seal
Important : Please read notes overleaf

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 18 Joo Koon Crescent, Singapore 609019 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.

ADDENDUM TO SHAREHOLDERS

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

On 18 October 2005, the Company obtained shareholders' approval at the Annual General Meeting of the Company ("2005 EGM") to authorise the Directors to exercise all powers of the Company to purchase or acquire its issued ordinary shares of $0.05 each 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 2005 AGM until the date on which the next annual general meeting of the Company is held or is required by applicable law to be held, whereupon it will lapse unless renewed at such meeting. Accordingly, shareholders' approval will be sought at the coming Eleventh AGM of the Company for the renewal of the Share Purchase Mandate.

If approved by shareholders at the Eleventh AGM to be held on 25 April 2006, the authority conferred by the Share Purchase Mandate will take effect from the date of the Eleventh AGM and, unless it is varied or revoked by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is held or is required by applicable law to be held, whereupon it will lapse unless renewed at such meeting. The Share Purchase Mandate as proposed is intended to be placed before shareholders for renewal at each subsequent annual general meeting of the Company.

Since the approval of the Share Purchase Mandate at the 2005 AGM, the Company has not purchased or acquired any Shares under 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.
"Council"	:	The Securities Industry Council of Singapore.
"Directors"	:	The Directors of the Company for the time being.
"EPS"	:	Earnings per Share.
"Latest Practicable Date"	:	9 March 2006, being the latest practicable date prior to the printing of this Addendum.
"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.

ADDENDUM TO SHAREHOLDERS

2. DEFINITIONS (CONT'D)

"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.
"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.
"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.

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 or acquisitions up to the 10% limit (described in paragraph 3.3 below) when and if the circumstances permit, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares as previously stated in the Company's Circular to Shareholders dated 13 October 2004 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 purchase 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) If 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 or acquisition of Shares up to the said 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 purchases or acquisitions 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.

3.2 Companies (Amendment) Act and its Effect on Future Share Purchase

The Companies (Amendment) Act was gazetted on 6 June 2005 and came into operation on 30 January 2006. The Companies (Amendment) Act amends various provisions of the Companies Act. The amendments include the following: -

(a) a company will be permitted, pursuant to a share purchase mandate, to purchase or acquire its shares out of capital, in addition to purchasing or acquiring such shares using its distributable profits;

(b) a company elect to cancel ordinary shares which are purchased or acquired by a company pursuant to a share purchase mandate or not to cancel but to hold such shares as treasury shares; and

(c) shares will no longer have any par value as the concept of par value of shares will be abolished.

ADDENDUM TO SHAREHOLDERS

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.3 Authority and Limits on the Share Purchase Mandate.

The authority and limitations placed on the Share Purchase Mandate, if renewed at the Eleventh AGM, are substantially the same as previously approved by the Shareholders at the 2005 AGM. The authority and limits on the Share Purchase Mandate are as follows: -

3.3.1 Maximum Number of Shares

As at the Latest Practicable Date, the issued share capital of the Company comprised 734,942,643 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 the issued share capital of the Company as at the date on which the Share Purchase Mandate is approved at the Eleventh AGM.

Purely for illustration purpose, on the basis of 734,942,643 shares in issue as at the Latest Practicable Date and assuming no further shares are issued on or prior to the AGM, not more than 73,494,264 Shares (representing 10% of the issued share capital of the Company as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

3.3.2 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 annual general meeting of the Company 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.

3.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) an on-market purchase (**"Market Purchase"**), transacted on the SGX-ST through the SGX-ST's Central Limit Order Book (CLOB) trading system or any other stock 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) an off-market purchase (**"Off-Market Purchase"**) effected pursuant to an equal access scheme or schemes for the purchase of Shares from the Shareholders.

3. **RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)**

3.3.3 Manner of Purchases or Acquisitions of Shares (cont'd)

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.

3.3.4 Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other 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"**).

ADDENDUM TO SHAREHOLDERS

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.3.4 Purchase Price (cont'd)

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.

3.4 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. A Share so purchased by the Company will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

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 of 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 Financial Effects

Under the Companies Act, any purchase of shares must be made out of the Company's distributable profits that are available for payment as dividends. The Company's total issued share capital will be diminished by the amount of the shares purchased by the Company.

It is 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 as the resultant effect would depend on, inter alia, the number of Shares purchased or acquired and the price paid for such Shares, and the amount (if any) borrowed by the Company to finance the purchases.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial period ended 31 December 2005 are based on the assumption set out below.

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.6.1 Number of Shares that may be Acquired or Purchased

Based on 734,942,643 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, not more than 73,494,264 Shares (representing 10% of the issued share capital of the Company as at that date) may be purchased by the Company pursuant to the Share Purchase Mandate.

3.6.2 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 73,494,264 Shares at the Maximum Price of $0.535 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 73,494,264 Shares is $39,319,431.24.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 73,494,264 Shares at the Maximum Price of $0.561 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 73,494,264 Shares is $41,230,282.10.

For illustrative purposes only, and based on the assumptions set out in paragraph 3.6.2 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group for the financial period ended 31 December 2005 are set out below :

ADDENDUM TO SHAREHOLDERS

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.6 Financial Effects. (cont'd)

3.6.2 Maximum Price that may be paid for Shares Acquired or Purchased (cont'd)

Market Purchases

	<----------Group---------->		<----------Company---------->	
	Before Share Purchase $'000	**After Share Purchase $'000**	**Before Share Purchase $'000**	**After Share Purchase $'000**
As at 31 December 2005				
Total Equity	413,161	373,842	369,567	330,248
NTA	189,859	150,540	369,567	330,248
Current Assets	223,798	184,479	26,371	-
Current Liabilities	202,146	202,146	66,922	66,922
Total Liabilities	230,947	230,947	77,373	77,373
Cash and Cash Equivalents	58,559	19,240	2,301	-
Number of Shares	734,924,528	808,418,792	734,924,528	808,418,792
Financial Ratios				
NTA per Share ($)	0.26	0.19	0.50	0.41
Gearing	0.56	0.62	0.21	0.23
Current Ratio	1.1	0.9	0.4	-

Off-Market Purchases

	<----------Group---------->		<----------Company---------->	
	Before Share Purchase $'000	**After Share Purchase $'000**	**Before Share Purchase $'000**	**After Share Purchase $'000**
As at 31 December 2005				
Total Equity	413,161	371,931	369,567	328,337
NTA	189,859	148,629	369,567	328,337
Current Assets	223,798	182,568	26,371	--
Current Liabilities	202,146	202,146	66,922	66,922
Total Liabilities	230,947	189,717	77,373	77,373
Cash and Cash Equivalents	58,559	17,329	2,301	--
Number of Shares	734,924,528	808,418,792	734,924,528	808,418,792
Financial Ratios				
NTA per Share ($)	0.26	0.18	0.50	0.41
Gearing	0.56	0.51	0.21	0.24
Current Ratio	1.1	0.9	0.4	-

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.6 Financial Effects. (cont'd)

3.6.2 Maximum Price that may be paid for Shares Acquired or Purchased (cont'd)

Notes:
(1) NTA equals total equity less intangible assets.
(2) Gearing equals total liabilities divided by total equity.
(3) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and have been prepared on the assumption that the company exercises the share purchase mandate up to 6% (i.e., 44,096,558 shares at $23,591,658) in the case of market purchases and 5% (i.e., 36,747,132 shares at $20,615,141) in the case of off-market purchases, being the maximum number of shares the company is able to purchase under the share purchase mandate, having regard to (i) the amount of the company's distributable reserves of approximately $24,218,000 as at 31 December 2005 and (ii) the maximum prices as calculated in the manner provided above. For the purposes of the illustration, it is assumed that the Company is using only internal sources to finance purchases of its share. The Company, however, when making share purchases pursuant to the share purchase mandate, also use external borrowings to finance purchases of its shares.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares. **In particular, the maximum number of shares that the company may purchase under the share purchase mandate is limited to its distributable profits, which are available for payment as dividends. The directors do not intend to exercise the share purchase mandate up to the maximum limit and to such an extent if such exercise would materially and adversely affect the financial position of the group.**

3.7 Substantial Shareholders

The Substantial Shareholders as at the latest practicable date are as follows:-

	No. of Ordinary Shares				
Name	**Direct Interest**	**%**	**Deemed Interest**	**%**	**Total interest %**
TGI Holdings Inc.	150,993,500	20.54	-	-	20.54
Steven Uhlmann	800,000	0.11	150,993,500	20.54	20.65
Haldun Tashman	-	-	150,993,500	20.54	20.54
Neo Age Seng	43,643,300	5.94	30,000	0.004	5.94
Wong Chi Hung	-	-	38,231,974	5.20	5.20
Asset Concept Investments Limited	38,231,974	5.20	-	-	5.20
Ng Boon Hoo	7,332,860	1.02	131,567,464	17.90	18.92
Sunningdale Holdings Pte Ltd	131,567,464	17.90	-	-	17.90
Temasek Holdings (Private) Limited	-	-	54,558,853	7.42	7.42
Temasek Capital (Private) Limited	-	-	54,332,413	7.39	7.39
Seletar Investments Pte Ltd	-	-	54,332,413	7.39	7.39
New Smith Opportunities Hedge Fund LP	54,891,321	7.47	-	-	7.47
New Smith Capital Partners LLP	4,542,980	0.62	54,891,321	7.47	8.09

The percentage of shareholding held in the hands of the public is 38.25%.

ADDENDUM TO SHAREHOLDERS

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.8 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implication arising from any purchase or acquisition by the Company of its Shares are set out below.

3.8.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

3.8.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (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 following persons will be presumed to be acting in concert:

(a) 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

(b) 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 20% but not more than 50% of the voting rights of the first mentioned company.

The circumstances under which Shareholders of the Company (including Directors of the Company) 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 Appendix 2 of the Take-over Code.

3.8.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company 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 its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.8.3 Effect of Rule 14 and Appendix 2 (cont'd)

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

3.8.4 No Previous Purchases.

The Company has not undertaken any purchase or acquisition of its Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2005 AGM.

3.8.5 Exemptions to make a General Offer granted by The Securities Industry Council of Singapore (the "Council")

The Council has on 7 October 2004 granted its approval to exempt TGI Holdings, Inc (formerly known as The Tech Group Inc.) and its concert parties, including Mr Steven Uhlmann, from the requirement to make a general offer under Rule 14 of the Take-Over Code arising from any share purchase by the Company pursuant to the Share Purchase Mandate subject to the following conditions:-

(i) the Circular on the resolution to authorize the Share Purchase Mandate contains advice to the effect that by voting for the Share Purchase Mandate, shareholders of the Company are waiving their rights to a general offer at the required price from TGI Holdings, Inc and its concert parties and their names and voting rights at the time of the shareholders' meeting and after the proposed share purchase are disclosed in the Circular;

(ii) the resolution to authorize the Share Purchase Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share purchase;

(iii) TGI Holdings, Inc and its concert parties abstain from voting for and recommending Shareholders to vote in favour of the resolution to authorize the Share Purchase Mandate; and

(iv) TGI Holdings, Inc and its concert parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Purchase Mandate is imminent and the earlier of (i) the date the authority of the Share Purchase Mandate expires; and (ii) the date the Company announces it has bought back such number of Shares as authorized by the Share Purchase Mandate or it has been decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the share buyback, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding 6 months.

ADDENDUM TO SHAREHOLDERS

3. RENEWAL OF THE SHARE PURCHASE MANDATE (CONT'D)

3.8 Take-over Implications (cont'd)

3.8.5 Exemptions to make a General Offer granted by The Securities Industry Council of Singapore (the "Council") (cont'd)

If the Company ceases to purchase its Shares and the increase of the voting rights held by TGI Holdings, Inc and its concert parties as a result of share purchases at such time is less than 1%, TGI Holdings, Inc and its concert parties will be allowed to acquire further voting rights in the Company. However, any increase in their percentage voting rights in the Company as a result of the share purchases will be taken into account together with any voting rights acquired after cessation in determining whether TGI Holdings, Inc and its concert parties have increased their voting rights by more than 1% in any 6-month period.

It should be noted that approving the Share Purchase Mandate will constitute a waiver by the Shareholders in respect of their right to a general offer by TGI Holdings, Inc and its concert parties at the Required Price.

"Required Price" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company's Shares (i) during the offer period and within the preceding 6 months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within 6 months of the offer and during the offer period, or (iii) acquire through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within 6 months of the offer or during the offer period; or at such price as determined by Council under 14.3 of the Takeover Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidate, and consequences under the Take-over Code would ensure as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

3.9 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, other than Steven Uhlmann, recommend that Shareholders vote in favour of Resolution 10, being the Ordinary Resolution relating to the Share Purchase Mandate.