

# SUNNINGDALE TECH LTD.

Company Registration No.: 199508621R  
(Incorporated in the Republic of Singapore)

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## THE PROPOSED DISPOSAL OF THE PROPERTY OF THE COMPANY'S SUBSIDIARY AT NO. 5 JOO KOON WAY, SINGAPORE 628944

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### 1 INTRODUCTION

The Board of Directors (the "**Board**") of Sunningdale Tech Ltd (the "**Company**") wishes to announce that the Company's wholly-owned subsidiary, UFE Pte Ltd ("**UFE**") had on 20 September 2013 granted an option to purchase (the "**Option**") to Utracon Structural System Pte. Ltd. (the "**Purchaser**") in relation to UFE's property at No. 5 Joo Koon Way, Singapore 628944 (together with the building(s) erected thereon) (the "**Property**"), for an aggregate sale consideration of S\$9,100,000 (the "**Sale Consideration**"). On 3 October 2013, the Purchaser exercised the Option, resulting in a binding agreement for the sale of the Property entered into between UFE and the Purchaser.

### 2 INFORMATION ON THE PROPERTY

The Property is comprised in Lot 568X Mukim 7 (together with the building(s) erected thereon) and known as 5 Joo Koon Way, Singapore. The Property is leased from the Jurong Town Corporation ("**JTC**") for a 30-year term which commenced on 1 March 2008 and the land area is approximately 7,114.7 square metres. The Property is sold together with a single-storey detached factory building with a mezzanine level with a gross floor area of 3,363 square meters.

The net book value of the Property as at 30 June 2013 was S\$3,642,857.

The Property is currently used by UFE for their production (mould fabrication and injection moulding) and office.

### 3 SALE CONSIDERATION, PAYMENT AND OTHER TERMS

The Sale Consideration was determined by UFE on the basis of an independent third party valuation conducted by Allied Appraisal Consultants Pte Ltd. The valuation was commissioned by UFE. Based on the valuation report dated 31 July 2013 ("**valuation report**"), having regard to *inter alia* the present real estate market in Singapore and the likely demand for similar properties with full vacant possession and with an unexpired lease term of about 24.5 years, the valuer has ascribed an open market value of S\$8,500,000 to the Property. Based on foregoing, the Sale Consideration represents an excess of S\$600,000 over the said market value of the Property and a gain on disposal of more than S\$5.43 million based on its current net book value as reflected in paragraph 2 above.

Under the terms of the Option, the Sale Consideration has been or shall be paid, as the case may be, in cash, in the following manner:

- a. 1% of the Sale Consideration has been paid at the grant of the Option (the "**Option Money**");
- b. 9 % of the Sale Consideration has been paid upon the Purchaser's exercise of the Option (together with the "**Option Money**", the "**Deposit**"). The Deposit will be held by UFE's lawyer in a conveyancing account, until completion; and
- c. the remaining 90% of the Sale Consideration shall be paid on completion of the sale and purchase. It is currently anticipated that completion will occur on 14 February 2014.

The sale and purchase of the Property is subject to *inter alia* the receipt of JTC approval in respect of (i) the assignment/transfer of the Property to Purchaser and (ii) the change of the authorised use of the Property.

#### **4 RATIONALE FOR THE SALE INCLUDING THE BENEFITS WHICH ARE EXPECTED TO ACCRUE TO THE GROUP AS A RESULT OF THE DISPOSAL AND INTENDED USE OF THE PROCEEDS FROM THE DISPOSAL**

The Group is undertaking an exercise to consolidate some of its operations in Singapore and for better utilisation of space, in order to help reduce its overall operating costs. The mould fabrication operations of UFE will be relocated to another factory owned by the Company at 18 Joo Koon Crescent, Singapore and the injection moulding operations will be handled by the Company's indirect wholly-owned subsidiary in Johor.

The Board is of the view that the disposal of the Property will help improve the cashflow of the Group and at the same time reduce its level of bank borrowings.

The net proceeds from the disposal of the Property are estimated to be approximately S\$8,600,000, after taking into account the estimated expenses to be incurred in connection with the disposal, such as agent and professional fees as well as costs for relocation of operations. The Board currently intends to apply the said proceeds as follows:

- a. approximately S\$7,000,000 towards the repayment of existing bank borrowings of the Group; and
- b. approximately S\$1,600,000 as working capital of the Group.

As it is anticipated that completion will occur on 14 February 2014, the gain on the disposal will be recorded in reporting year 2014 as permitted by the Financial Reporting Standards.

## 5 FINANCIAL EFFECTS OF THE DISPOSAL

### (i) Net Tangible Assets (“NTA”) per share of the Company (“Share”)

For illustration purposes, assuming that (as per Rule 1010(8) of the listing manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST")) the disposal had taken place on 31 December 2012, and based on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2012, the disposal would have had the following effect on the NTA per Share as presented in the table below:

As at 31 December 2012	Before Disposal	After Disposal
NTA (S\$'000)	219,364	224,111 <sup>#</sup>
NTA per Share* (in cents)	28.93	29.56

# This figure takes into account the sale proceeds from the disposal of the Property after netting off the estimated expenses to be incurred in connection with the disposal, such as agent and professional fees as well as costs for relocation of operations.

\* Based on 758,156,393 issued Shares as at 31 December 2012.

### (ii) Earnings per Share (“EPS”)

For illustration purposes, assuming (as per Rule 1010(9) of the Listing Manual) that the disposal had taken place on 1 January 2012 and based on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2012, the disposal would have had the following effect on the EPS as presented in the table below:

	Before Disposal	After Disposal
Profit after tax (S\$'000)	9,562	14,309 <sup>#</sup>
Weighted average number of Shares ('000)	752,366,790	752,366,790
<b>EPS (cents):</b>		
Basic	1.27	1.90
Fully diluted	1.24	1.85

# This figure takes into account the gain from the disposal of the Property after netting off the estimated expenses to be incurred in connection with the disposal, such as agent and professional fees as well as costs for relocation of operations.

## 6 RELATIVE FIGURES UNDER RULE 1006 OF THE SGX-ST LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Basis	Relative Figure
Rule 1006(a)	Net asset value of the Property of S\$3,642,857 compared with the Group's net asset value as at 30 June 2013 (based on the Group's unaudited announced financial statements for the six months ended 30 June 2013) of S\$229,818,139	1.6%
Rule 1006(b)	Net loss attributable to the Property (comprising rent payable to JTC, property tax and maintenance costs, in aggregate approximately S\$124,565) compared with the Group's net profits before tax for the financial period from 1 January 2013 to 30 June 2013 (based on the Group's unaudited announced financial statements for the six months ended 30 June 2013) of S\$7,959,343	-1.6% <sup>#</sup>
Rule 1006(c)	Sale Consideration of S\$9,100,000 compared with the Company's market capitalisation as at 2 October 2013 (being the market day preceding the date of acceptance of the Option) of S\$97,802,175	9.30% <sup>^</sup>
Rule 1006(d)	<i>This is not relevant to a disposal of assets</i>	N.A.

<sup>#</sup> The Company has consulted the SGX-ST on the relative figure under Rule 1006(b) pursuant to Rule 1007(1) of the Listing Manual, which is in the negative.

<sup>^</sup> As the relative figure for Rule 1006(c) exceeds 5%, this announcement has been made in compliance with Rule 1010 of the Listing Manual.

## **7 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER**

None of the Directors or the Controlling Shareholder of the Company has any interest, direct or indirect, in the disposal of the Property, save in respect of their interest (if any) in the Shares. There are no directors proposed to be appointed to the Company in connection with the Disposal.

## **8 DOCUMENTS FOR INSPECTION**

Copies of the Option and the valuation report will be available for inspection during normal business hours at the Company's registered office at No. 51 Joo Koon Circle, Singapore 629069 for a period of three months from the date of this announcement.

By Order of the Board

KHOO BOO HOR  
Executive Director & Chief Executive Officer

Dated: 3 October 2013