

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

**ALLOTMENT AND ISSUANCE OF 153,016,000 NEW ORDINARY SHARES IN THE CAPITAL OF
SUNNINGDALE TECH LTD. AT AN ISSUE PRICE OF S\$0.1633 PER SHARE**

1. INTRODUCTION

- 1.1 The board of directors ("**Board**") of Sunningdale Tech Ltd. ("**Company**") is pleased to announce that the Company has on 19 June 2014 entered into placement agreements (each, a "**Placement Agreement**") with each of the persons named in paragraph 2.1 below (collectively, the "**Investors**").
- 1.2 Pursuant to the Placement Agreements, the Company has agreed to allot and issue, and the Investors have agreed to subscribe for, an aggregate of 153,016,000 new ordinary shares in the capital of the Company ("**Subscription Shares**"), at an issue price of S\$0.1633 per Subscription Share ("**Issue Price**"), representing gross proceeds of approximately S\$24,987,512.80 (collectively, the "**Subscriptions**" and each, the "**Subscription**").
- 1.3 The Subscription Shares represent approximately 20 per cent. of the existing issued and paid-up share capital of the Company (excluding treasury shares¹) as at the date of this Announcement, and approximately 16.66 per cent. of the enlarged issued and paid-up share capital of the Company (excluding treasury shares) immediately after completion of the Subscriptions.
- 1.4 Each Subscription is not inter-conditional on the other Subscription, and completion under one Placement Agreement is not conditional upon completion under the other Placement Agreement.

2. INFORMATION ON THE INVESTORS

- 2.1 The Investors are (i) Yarwood Engineering & Trading Limited ("**Yarwood**") and Mr. Sam Goi Seng Hui ("**Mr. Goi**").

(i) Information on Yarwood

Yarwood is domiciled in the Federal Territory of Labuan with principal activity in investment holding. It is a wholly owned subsidiary of Kong Siang Group Holdings Pte Ltd ("**Kong Siang Group**"). Kong Siang Group is a leading spirits and alcoholic beverages distributor headquartered in Singapore with offices in several Asian countries. Since its incorporation as "Chop Kong Siang" in 1935, the company has grown into an established regional player in Asia Pacific with expertise in distribution of brands, import and export, warehousing and logistic operations. The shareholders

¹ As at the date of this Announcement, the Company has no treasury shares.

of Kong Siang Group are David Lee Eng Thong, Lee Eng Khian, Lee Eng Chye Victor and Lee Siu Huang.

Yarwood has agreed to subscribe for an aggregate of 76,508,000 Subscription Shares at an aggregate Issue Price of S\$0.1633, representing approximately 8.33 per cent of the enlarged share capital of the Company (excluding treasury shares).

(ii) Information on Mr. Goi

Mr. Goi is the Executive Chairman of GSH Corporation, Tee Yih Jia Group and Yangzhou Junhe Real Estate Group. GSH Corporation is a growing property developer and hospitality operator in Southeast Asia. Listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), GSH Corporation has three properties under development and two five-star hotels in Malaysia. Tee Yih Jia Group is a global food and beverage manufacturer exporting to over 70 countries. Yangzhou Junhe is a property development company in China. Apart from these core businesses, Mr Goi has strategic investments in listed and private entities spanning numerous industries, such as food and beverage, consumer essentials, recycling, distribution and logistics.

Mr. Goi has agreed to subscribe for an aggregate of 76,508,000 Subscription Shares at an aggregate Issue Price of S\$0.1633, representing approximately 8.33 per cent of the enlarged share capital of the Company (excluding treasury shares).

2.2 The Investors are not persons to whom the Company is prohibited from issuing shares in the capital of the Company ("**Shares**"), without the approval of the shareholders of the Company ("**Shareholders**"), as provided under Rule 812(1) of the Listing Manual of the SGX-ST. Further, the Investors are separate placees and are not related to one another. As at the date of this Announcement, the Company understands that the Investors do not hold any Shares.

2.3 The Investors were separately approached by Mr. Koh Boon Hwee, the Chairman of the Board and, after negotiations, the Investors agreed to subscribe for, and the Company agreed to place, the Subscription Shares. No commission or other payment is to be made to Mr. Koh Boon Hwee for introducing the Investors to subscribe for their portion of the Subscription Shares.

2.4 The rationale for the placement of the Subscription Shares to the Investors is set out in paragraph 5.1 below.

3. GENERAL MANDATE

3.1 The Subscription Shares will be allotted and issued pursuant to the general mandate granted by Shareholders at the annual general meeting of the Company held on 29 April 2014 (the "**General Mandate**").

3.2 Under the General Mandate, the Board is authorised to issue new shares in the capital of the Company, on the basis that the aggregate number of shares and instruments to be issued other than on a pro rata basis to existing Shareholders ("**Non Pro-Rata Basis**") must be not more than 20 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the time of the passing of the resolution approving the General

Mandate (the "**Relevant Time**"), after certain adjustments and subject to such calculations as may be prescribed by the SGX-ST.

- 3.3 The total number of ordinary shares (excluding treasury shares²) in the capital of the Company ("**Shares**") as at the Relevant Time was 765,081,393. To date, the Company has not issued any Shares under the General Mandate, and no event has occurred which would result in an adjustment in the number of Shares on which the General Mandate is based.

4. PRINCIPAL TERMS OF THE SUBSCRIPTIONS

4.1 Ranking; Additional Listing Application

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares as at the date of the Placement Agreements.

The Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Main Board of the SGX-ST, and will make the necessary announcements once the in-principle approval for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

4.2 Issue Price

The Issue Price was agreed after arm's length negotiations between the Company and the Investors with reference to the prevailing market price of the Shares, and represents a discount of approximately 10 per cent. to the weighted average price of S\$0.1814 per Share for trades done on the SGX-ST on 18 June 2014 (being the preceding full market day) up to the time the Placement Agreements were signed.

4.3 Condition Precedent

Completion under each Placement Agreement is conditional upon the approval in-principle of the SGX-ST for the listing and quotation of the relevant Subscription Shares on the Main Board of the SGX-ST having been obtained on terms reasonably acceptable to the Company and the relevant Investor, and such approval remaining in full force and effect on the date of completion under the relevant Placement Agreement, and if such approval is subject to any conditions which are required to be fulfilled on or prior to such date of completion, such conditions being so fulfilled (the "**Condition Precedent**") .

The Company and each Investor have agreed that in the event the Condition Precedent is not fulfilled by 31 August 2014 or such other date as may be agreed between the Company and such Investor (the "**Long Stop Date**"), either the Company or the relevant Investor may, in its sole discretion, terminate the relevant Placement Agreement and neither the Company nor the relevant Investor shall have any claim against the other under it, save for any antecedent breach of the terms of the relevant Placement Agreement.

4.4 Completion

Completion under each Placement Agreement is expected to take place on the date falling five business days after the Condition Precedent is satisfied, which shall, in any event, be a date not later than the Long Stop Date.

² As at the Relevant Time, the Company had no treasury shares.

5. RATIONALE AND USE OF PROCEEDS

- 5.1 The Subscriptions will allow the Company to raise gross proceeds of approximately S\$24,987,512.80, which will be used as working capital to fund the growth and expansion of the Company's business, and to increase the Company's capacity for any acquisitions in the future.
- 5.2 Pending deployment of the aggregate net proceeds of the Subscriptions for the use identified above, the net proceeds may be deposited with banks or financial institutions and/or used for investment in short-term money market and/or debt instruments or for any other purposes on a short-term basis, as the Board may deem fit.
- 5.3 The Company will make periodic announcements on the utilisation of proceeds from the Subscriptions as and when the funds from the Subscriptions are materially disbursed and provide a status report of the use of proceeds from the Subscriptions in the Company's annual report.

6. FINANCIAL EFFECTS OF THE SUBSCRIPTIONS

- 6.1 For illustrative purposes only and based on the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2013, the financial effects of the Subscriptions are set out below. The analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the completion of the Subscriptions.
- 6.2 Based on the assumptions above and assuming that:
- (i) the Subscriptions had been effected at (a) the beginning of that financial year, the earnings per Share after adjusting for the issuance of the 153,016,000 Subscription Shares to both Investors will decrease from 1.80 cents to 1.50 cents, and (b) at the end of that financial year, the consolidated net asset value per Share after adjusting for the issuance of the 153,016,000 Subscription Shares to both Investors will decrease from 33.03 cents to 30.25 cents;
 - (ii) the Subscription with Yarwood (but not the Subscription with Mr. Goi) had been effected (a) at the beginning of that financial year, the earnings per Share after adjusting for the issuance of the 76,508,000 Subscription Shares to Yarwood will decrease from 1.80 cents to 1.63 cents, and (b) at the end of that financial year, the consolidated net asset value per Share after adjusting for the issuance of the 76,508,000 Subscription Shares to Yarwood will decrease from 33.03 cents to 31.52 cents; and
 - (iii) the Subscription with Mr. Goi (but not the Subscription with Yarwood) had been effected (a) at the beginning of that financial year, the earnings per Share after adjusting for the issuance of the 76,508,000 Subscription Shares to Mr. Goi will decrease from 1.80 cents to 1.63 cents, and (b) at the end of that financial year, the consolidated net asset value per Share after adjusting for the issuance of the 76,508,000 Subscription Shares to Mr. Goi will decrease from 33.03 cents to 31.52 cents.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDER

None of the Directors or, to the best of the Company's knowledge, the substantial shareholder of the Company, has any interest, direct or indirect, in the Subscriptions (other than through their respective shareholdings in the Company).

BY ORDER OF THE BOARD
SUNNINGDALE TECH LTD.

Khoo Boo Hor
Chief Executive Officer and Executive Director
20 June 2014