SUNNINGDALE TECH LTD.
(Company registration number 199508621R)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP CAPITAL OF ANCHORAGE SINGAPORE HOLDINGS PTE. LTD.

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1. INTRODUCTION

The board of directors ("**Board**") of Sunningdale Tech Ltd. ("**Company**") is pleased to announce that it has entered into a conditional share purchase agreement ("**SPA**") with Anchorage Capital Partners Fund, LP ("**Anchorage**"), Sino International Strategic Pte. Ltd., Brian Pressley Smith, Allan Moss Personal Superannuation Fund Pty Ltd and Rippledot Capital Advisers Pte. Ltd. ("**Rippledot**") (each a "**Vendor**" and collectively, the "**Vendors**") today, in respect of the proposed acquisition of 23,900,001 ordinary shares ("**Sale Shares**"), representing 100% of the issued and paid-up share capital of Anchorage Singapore Holdings Pte. Ltd. ("**Proposed Acquisition**").

2. INFORMATION ON ANCHORAGE SINGAPORE HOLDINGS PTE. LTD. AND THE FEL GROUP

Anchorage Singapore Holdings Pte. Ltd. ("**Target Company**") and its wholly-owned subsidiary, Anchorage First Eng Holdings Pte. Ltd. ("**AFEH**"), are investment holding companies that do not engage in any business activities other than owning interest in the FEL Group (as defined below).

AFEH's wholly-owned subsidiary First Engineering Limited ("**FEL**") and its subsidiaries (FEL and FEL's subsidiaries, collectively the "**FEL Group**") are principally involved in the manufacture and sale of precision moulds and precision engineering components. FEL is headquartered in Singapore and operates five manufacturing facilities in China, Malaysia and India, which are strategically located in close proximity to its key customers and industry eco-systems.

(The Target Company, AFEH and the FEL Group, collectively the "**Target Group**" and each a "**Target Group Company**").

3. SALIENT TERMS OF THE PROPOSED ACQUISITION

3.1 Consideration

The agreed enterprise value for the Target Group on a debt free cash free basis is US$80 million (approximately S$100 million[1]). The consideration payable by the Company to the Vendors for all of the Sale Shares is US$66.1 million (approximately S$82.7 million) taking into account, *inter alia*, the net debt of the Target Group as at 31 July 2014 (including the outstanding amounts under the Target Group's existing financing facility with Mizuho Ltd. ("**Mizuho Facility**")) and the Vendors' contribution for the premium for the W&I Insurance Policy (as defined below) ("**Consideration**").

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[1] Unless otherwise stated, the exchange rate of US$1 : S$1.25 has been used in this announcement.

In addition, on Completion (as defined in the SPA), the Company will repay all outstanding amounts under the Mizuho Facility as at Completion.

The Consideration was arrived at on a willing-seller, willing-buyer basis after arms' length negotiations between the Company and the Vendors, taking into account, amongst others, (a) the Target Group's financial performance and position (b) management experience, track record as well as the prospects of the FEL Group and (c) the strategy and rationale for the Proposed Acquisition (as described in more detail below).

The Consideration payable to the Vendors and the repayment of the Mizuho Facility will be funded by the Company through a combination of its existing cash and new borrowings.

3.2 Conditions Precedent and Long-Stop Date

Completion of the Proposed Acquisition is conditional upon the following conditions ("**Conditions**") being fulfilled (or waived) by 15 November 2014 (or any other date mutually agreed in writing between the Company and the Vendors):

(a) the approval of the Company's shareholders ("**Shareholders**") for the Proposed Acquisition at an extraordinary general meeting ("**EGM**"); and

(b) there being no event that results in a decrease by 10 per cent. or more of the net asset value of the Target Group, taken as a whole, as reflected in its unaudited monthly management account for 31 July 2014 other than any event directly relating to:

(i) an event that the Company had authorised or required under the SPA; or

(ii) any loss suffered as a result of any customer or supplier terminating any agreement with any Target Group Company due to the announcement or performance of the SPA; and

(c) the Vendors providing evidence to the Purchaser that the administrative error in the register maintained by the Shanghai Administration for Industry and Commerce in respect of First Engineering (Shanghai) Co., Ltd. ("**FESH**") has been rectified, and all other information of FESH in such register remaining unchanged from that prior to the date of the SPA.

3.3 Warranty and Indemnity Insurance

Pursuant to the terms of the SPA, the Company has today also obtained a warranty and indemnity insurance policy ("**W&I Insurance Policy**") for the benefit of the Company in relation to any breach of a warranty in the SPA ("**Warranty Claim**"). With the exception of claims by the Company against any Vendor arising as a result of fraud, wilful misconduct or wilful concealment by the Vendor, the sole remedy of the Company under the SPA in respect of any Warranty Claim will be under the W&I Insurance Policy.

Under the terms of the SPA, the Vendors will contribute to the premium payable for the W&I Insurance Policy.

3.4 Completion

Completion of the Proposed Acquisition is to take place on the date which is five business days after the last of the Conditions has been satisfied or waived (in accordance with the terms of the SPA) or on such other date as may be agreed in writing among the Company and the Vendors.

3.5 Directors to be appointed to the Company

No person is proposed to be appointed as a director of the Company under the terms of the SPA at Completion.

4. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Company and its subsidiaries ("**Group**") is a leading Asian tooling, plastics injection moulding and precision assembly company offering a wide range of services to the global market, including, *inter alia,* tooling, plastics injection moulding with decorative finishing processes and precision assembly. Focusing on three key business segments (automotive, consumer/IT and healthcare), the Group has manufacturing facilities located in Singapore, Malaysia, Indonesia, China, Latvia, Mexico and Brazil.

Under Anchorage's ownership since June 2012, a comprehensive turnaround programme implemented by the management team of the Target Group has positioned the FEL Group for sustainable growth through investment in capabilities, people, processes and capital investment. The FEL Group is now one of the most diversified precision plastics manufacturers in Asia, with an increasing focus on the high growth automotive, consumer/IT and healthcare (medical device) business segments.

The Board believes that there is a strategic and operational fit between the Group and the Target Group and in this regard, the Proposed Acquisition represents an attractive opportunity for the Group to further strengthen its leadership position in the industry.

In particular, the key benefits of the Proposed Acquisition are:

(a) the creation of a global leading precision plastic engineering company with a combined global revenue of S$636 million[2];

(b) the operations of the Target Group being highly complementary to the business of the Group in three major business segments: (i) automotive; (ii) consumer/IT; and (iii) healthcare;

(c) further expansion of the Group's existing blue chip customer base and broadening of its product mix offering;

(d) enhancing the Group's technological and 'best in class' capabilities across the entire value chain;

(e) further strengthening the Group's existing footprint and providing immediate access to the Indian market; and

(f) optimizing resources in corporate support and operational functions to achieve higher efficiencies.

[2] Revenue computed based on the Company and FEL's latest financial year (for the Company, the financial year ended 31 December 2013 and for FEL, the financial year ended 31 March 2014).

5. FINANCIAL INFORMATION OF THE TARGET GROUP

Based on the audited consolidated financial statements of the Target Group for the financial year ended 31 March 2014, the net profit of the Target Group is approximately US$3.4 million (approximately S$4.2 million), the book value of the Sale Shares is approximately US$56.7 million (approximately S$70.8 million), and the net tangible asset value of the Sale Shares is approximately US$56.7 million (approximately S$70.8 million).

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Assumptions

The proforma financial effects of the Proposed Acquisition on the Group as set out below are for illustrative purposes only and do not reflect either the actual financial effects of the Proposed Acquisition on the Group or the future financial performance and/or position of the Group immediately following the completion of the Proposed Acquisition.

The proforma financial effects of the Proposed Acquisition have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 (being the most recent announced consolidated full-year financial statements of the Group) and the audited consolidated financial statements of the Target Group for the financial year ended 31 March 2014. The financial effects have been prepared on the following key assumptions:

(a) the effect of the Proposed Acquisition on the net tangible assets ("**NTA**") per ordinary share in the share capital of the Company ("**Share**") of the Company shown below is based on the assumption that the Proposed Acquisition had been completed on 31 December 2013 (and the Target Group's financial position as at 31 March 2014 was used for the computation); and

(b) the effect of the Proposed Acquisition on the earnings per Share ("**EPS**") of the Company, is based on the assumption that the Proposed Acquisition had been completed on 1 January 2013 (and the Target Group's financial performance during the 12 months ended 31 March 2014 was used for the computation).

6.2 Effect on NTA per Share

On the bases and assumptions set out above, the financial effect of the Proposed Acquisition on the NTA per Share is as follows:

As at 31 December 2013	**NTA per Share**(1)
Before adjusting for the Proposed Acquisition	31.32 cents
After adjusting for the Proposed Acquisition	30.02 cents

Notes:

(1) Based on the number of issued Shares in the Company as at 31 December 2013 being 764,931,393.

6.3 Effect on EPS

On the bases and assumptions set out above, the financial effect of the Proposed Acquisition on the EPS for the financial year ended 31 December 2013 is as follows:

For the financial year ended 31 December 2013	EPS(2)
Before adjusting for the Proposed Acquisition	1.80 cents
After adjusting for the Proposed Acquisition (3)	2.35 cents

Notes:

(2) *Based on the weighted average number of issued Shares in the Company during the financial year ended 31 December 2013 being 759,307,215.*

(3) *Based on net profits attributable to the Target Group amounting to approximately US$3.4 million (approximately S$4.2 million).*

7. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures as computed on the bases as set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual ("**Listing Manual**"), based on the unaudited consolidated accounts of the Group for the six months ended 30 June 2014 and the audited consolidated accounts of the Target Group for the financial year ended 31 March 2014 are as follows:

(a) Net asset value test (Rule 1006(a))

Not applicable to the Proposed Acquisition as this basis is not applicable to an acquisition of assets.

(b) Net profits test (Rule 1006(b))

The net profits attributable to the assets to be acquired amounting to approximately US$3.4 million (approximately S$4.2 million), is approximately 32.8% of the Group's net profits amounting to approximately S$12.9 million.

(c) Market capitalisation test (Rule 1006(c))

The sum of the Consideration amounting to US$66.1 million (approximately S$82.7 million) and the outstanding amounts of US$22.5 million (approximately S$28.1 million) under the Mizuho Facility[3] (as at 31 July 2014) is approximately 52.6% of the Company's market capitalisation of approximately S$210.6 million as at 2 September 2014, being the market day immediately preceding the date of the SPA[4].

(d) Equity Securities Test (Rule 1006(d))

Not applicable as the Company is not issuing equity securities as consideration for the Sale Shares.

3 On Completion, the Company will be repaying all outstanding amounts under the Mizuho Facility at Completion, which may be an amount different from the amount as at 31 July 2014.

4 The Company's market capitalisation is determined by multiplying the number of its shares in issue of 918,097,393 by the volume weighted average price of such shares transacted on such date of S$0.2253 and excludes treasury shares.

(e) Proved and Probable Reserves Test (Rule 1006(e))

Not applicable as there are no mineral, oil and gas companies in the Group.

Having regard to the above, the Proposed Acquisition constitutes a "Major Transaction" under Rule 1014 of the Listing Manual and accordingly, Shareholders' approval will be required. The Company will in due course convene an EGM to seek approval from its Shareholders for, *inter alia*, the Proposed Acquisition. A circular setting out further information and details of the Proposed Acquisition ("**Circular**"), together with the notice of EGM to be convened will be despatched by the Company to its Shareholders in due course.

8. SPECIFIC MANDATE FOR SHARE ISSUE

The Company has exhausted its existing general mandate to issue Shares following the previous share placements in 8 July 2014. At the EGM, the Company will also be seeking a specific mandate to issue 2,771,618 new Shares to Credit Suisse (Singapore) Limited ("**Credit Suisse**") as part of Credit Suisse's remuneration for acting as financial advisor to the Company on the Proposed Acquisition, which is also subject to receipt of relevant regulatory approvals. Further information on this issue will be set out in the Circular.

9. CAUTION

Shareholders and investors should note that completion of the Proposed Acquisition is subject to, *inter alia*, the fulfilment of the Conditions in accordance with the SPA. Shareholders and investors are therefore advised to exercise caution in their dealings in the Shares of the Company.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

10.1 Mr Koh Boon Hwee, the non-executive Director and Chairman of the Company and a substantial shareholder of the Company, is also: (a) the non-executive chairman of Rippledot, a Vendor in the Proposed Acquisition and the financial adviser to the other Vendors, and (b) a substantial shareholder of Rippledot. Given this, Mr Koh has abstained from voting, at board meetings of the Company, on the Proposed Acquisition.

10.2 Save as disclosed above, none of the Directors of the Company, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company, has any interest, direct or indirect, in the Proposed Acquisition, save in respect of such Director's/controlling shareholder's shareholdings (if any) in the Company.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 51 Joo Koon Circle, Singapore 629069 during normal business hours for a period of three months from the date of this announcement.

12. FINANCIAL ADVISORS

Credit Suisse is acting as the sole financial advisor to the Company.

Rippledot is acting as the sole financial advisor to the Vendors.

BY ORDER OF THE BOARD
SUNNINGDALE TECH LTD.

Khoo Boo Hor
Chief Executive Officer and Executive Director
3 September 2014