

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

THE PROPOSED CONSOLIDATION OF EVERY 5 ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED ORDINARY SHARE EACH IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or the "**Directors**") of the Company wishes to announce that the Company proposes to undertake a share consolidation (the "**Proposed Share Consolidation**") of every 5 existing ordinary shares in the capital of the Company (the "**Shares**") existing as at a books closure date (the "**Books Closure Date**") to be determined by the Board into one (1) ordinary share in the capital of the Company (a "**Consolidated Share**").
- 1.2 As a result of the Proposed Share Consolidation, each shareholder of the Company (a "**Shareholder**") will receive one (1) Consolidated Share for every 5 Shares held prior to the Proposed Share Consolidation as at the Books Closure Date, fractional entitlements to be disregarded.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

- 2.1 Under the Proposed Share Consolidation, every 5 Shares registered in the name of each Shareholder (not being a depositor), or standing to the credit of the securities account of each depositor, as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2 **Shareholders should note that the number of Consolidated Shares which they will be entitled to resulting from the Proposed Share Consolidation, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the fractional entitlements and retaining the net proceeds for the benefit of the Company. Shareholders should also note that in the event the Directors, in their absolute discretion, decide to cancel the aggregated fractions of Consolidated Shares arising from the Proposed Share Consolidation, affected Shareholders will not be paid for such fractional shares cancelled and not issued. Shareholders should also note that in the event the Directors, in their absolute discretion, decide to cancel the aggregated fractions of Consolidated Shares arising from the Proposed Share Consolidation, affected Shareholders will not be paid for such fractional shares cancelled and not issued.**
- 2.3 Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lots of 100 Consolidated Shares.

- 2.4 As at the date of this announcement (the "**Announcement**"), the Company has an issued and paid-up capital of S\$298,802,360.43 comprising 927,324,011 Shares. On the assumption that there will be no new Shares issued by the Company up to the Books Closure Date, following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up capital of S\$298,802,360.43 comprising 185,464,802 Consolidated Shares, disregarding fractional interests in the Consolidated Shares arising from the Proposed Share Consolidation.
- 2.5 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' equity of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1 On 1 August 2014, the Monetary Authority of Singapore and the Singapore Exchange Limited jointly announced that from March 2015, all issuers listed on the Mainboard of the SGX-ST would be given a one (1)-year transition period to comply with a listing requirement that their six (6)-month volume weighted average price be maintained at a minimum trading price of S\$0.20 (the "**MTP Requirement**"). The MTP Requirement was introduced to improve the overall quality and attractiveness of the securities market in Singapore, as well as to curb excessive speculation and market manipulation. On 10 February 2015, the Singapore Exchange Limited further announced that the MTP Requirement would be introduced with effect from 2 March 2015, with issuers to be assessed for compliance with the MTP Requirement from 1 March 2016.
- 3.2 For the past six (6) calendar months prior to the date of this Announcement, the six (6)-month volume weighted average price of the Shares was S\$0.2061. As such, the Company is seeking to undertake the Proposed Share Consolidation with the purpose of raising the minimum theoretical share price so as to ensure continued compliance with the MTP Requirement.
- 3.3 The highest and lowest closing market prices and the transacted volume of the Shares traded on the SGX-ST for each of the past six (6) calendar months from January 2015 to June 2015 are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded Shares (‘000)
January 2015	0.205	0.170	15,021
February 2015	0.210	0.191	17,374
March 2015	0.215	0.194	41,619
April 2015	0.215	0.198	30,157
May 2015	0.235	0.195	51,503
June 2015	0.230	0.200	12,202

Source: <http://www.sgx.com/>

- 3.4 In light of the above, the Company proposes to undertake the Proposed Share Consolidation to ensure continued compliance with the MTP Requirement.

4. ADJUSTMENTS TO THE COMPANY'S EMPLOYEE SHARE PLANS

- 4.1 As of the date of this Announcement, up to 5,830,000 Shares awarded under the Sunningdale Restricted Share Plan 2014 ("**RSP 2014**") have yet to be issued or transferred to the relevant participants under the RSP 2014.
- 4.2 As of the date of this Announcement, up to 13,119,000 Shares awarded under the Sunningdale Restricted Share Plan ("**RSP 2004**") have yet to be issued or transferred to the relevant participants under the RSP 2004.
- 4.3 The Remuneration Committee will be adjusting the number of Award Shares (under the RSP 2014 and RSP 2004), as appropriate, to reflect the Proposed Share Consolidation. The Remuneration Committee has determined that following the Proposed Share Consolidation, all outstanding Awards under the RSP 2014 and RSP 2004 shall be consolidated on a 5:1 ratio as if the outstanding Award Shares were consolidated under the Proposed Share Consolidation. Following the Proposed Share Consolidation and adjustment, up to 1,166,000 Award Shares under the RSP 2014 and up to 2,623,800 Award Shares under the RSP 2004 may be awarded to the relevant Participants under the RSP 2014 and RSP 2004.

5. APPROVALS AND CONDITIONS

- 5.1 The Proposed Share Consolidation is subject to:
- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
 - (b) the approval of Shareholders by ordinary resolution of the Proposed Share Consolidation at an extraordinary general meeting ("**EGM**") of the Company to be convened.
- 5.2 An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the SGX-ST. An announcement on the outcome of the application will be made in due course.
- 5.3 Subject to receipt of the approval-in-principle from the SGX-ST, a circular containing, *inter alia*, the notice of EGM and the details of the Proposed Share Consolidation will be despatched to Shareholders in due course.

By Order of the Board
SUNNINGDALE TECH LTD.

Khoo Boo Hor
Chief Executive Officer and Executive Director
29 July 2015