

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

RESPONSE TO SGX-ST'S QUERY ON THE 4Q2017 FINANCIAL RESULTS ANNOUNCEMENT

The Company has on 28 February 2018 received a query from SGX-ST ("SGX-ST Query") on its 4Q2017 financial results announcement. The Company appends the SGX Query and its response as follows:

SGX-ST's Query:

We note that the Company has stated in page 13 of the Results Announcement that "[there] are no employees as at 31st December 2017 who are related to the Directors". Please state whether there are any person(s) occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Company's response:

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

SGX-ST's Query:

Please explain:-

- (a) the material variance of 34.7% under "other expenses" on page 1 of the Results Announcement.
- (b) the material variance of (133.3%) under "foreign exchange (loss)/gain" on page 2 of the Results Announcement.
- (c) the material variance of (10.7%) and 10.7% under "intangible assets" and "prepayments" on page 3 of the Results Announcement.

Company's response:

- (a) The increase in other expenses was mainly due to a foreign exchange loss of \$2.8 million for 4Q17 which was partially offset by lower provision for retrenchment cost of \$34,000 (4Q16: \$1.9 million).
- (b) The variance under foreign exchange (loss)/gain was due to the weakening of Malaysian Ringgit (MYR) and Chinese Yuan (CNY) against US Dollar (USD) for 4Q16 whereas MYR and CNY strengthened against USD in 4Q17.

(c) The decrease in intangible assets from \$17.4 million to \$15.6 million was due to amortisation of customer related intangible of \$1.5 million and a translation difference of \$0.3 million.

The increase in prepayment from \$4.9 million to \$5.5 million was mainly due to prepaid insurance expenses and renovation expenses.

BY ORDER OF THE BOARD

DOROTHY HO

Company Secretary

01 March 2018