

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

**SCHEME MEETING TO BE HELD ON 19 FEBRUARY
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

1. INTRODUCTION

The board of directors of the Company (the "**Board**") refers to the scheme document (the "**Scheme Document**") despatched electronically to Scheme Shareholders on 4 February 2021, in relation to the proposed acquisition of all the issued ordinary shares in the capital of the Company, other than the KBH Rollover Shares, by the Offeror by way of a scheme of arrangement in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) and the Singapore Code on Take-overs and Mergers.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Scheme Document.

2. RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The Board would like to thank Scheme Shareholders for submitting their questions in advance of the Scheme Meeting to be held by way of electronic means on 19 February 2021 at 3.00 p.m. (Singapore time). Please refer to the Appendix of this Announcement for our responses to the substantial and relevant questions raised by Scheme Shareholders in relation to the Scheme.

3. RESPONSIBILITY STATEMENT

The directors of the Company (including those who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement which relate to the Company are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this Announcement, and the directors of the Company jointly and severally accept responsibility accordingly.

Where any information which relates to the Company has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Khoo Boo Hor
Executive Director & Chief Executive Officer
16 February 2021

Appendix

Question 1: Which shareholders of Sunningdale are considered to be Scheme Shareholders? Will all Scheme Shareholders be allowed to vote at the Scheme Meeting?

Response:

All shareholders of Sunningdale other than KBH are considered to be Scheme Shareholders.

Except for (a) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand; and (b) the Offeror and its concert parties, all other Scheme Shareholders are entitled to vote at the Scheme Meeting.

Question 2: Will the Scheme Consideration be lowered if Sunningdale declares a dividend?

Response:

In the event that any dividends are declared, paid or made by Sunningdale to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends.

In other words, should Sunningdale pay a dividend of S\$0.05 per Share before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by S\$0.05 per Scheme Share such that an Entitled Scheme Shareholder who elects for Cash Consideration will receive:

- (a) a dividend of S\$0.05 for each Scheme Share that he/she holds; and
- (b) Cash Consideration of S\$1.60 for each Scheme Share that he/she holds.

Question 3: How did the Board manage the potential conflict of interest arising from the fact that the Conflicted Directors (i.e. KBH and LWS) are directors of both Sunningdale and the Offeror?

Response:

The Non-conflicted Directors would like to reiterate that there are strict controls in place to mitigate against any potential conflict of interest resulting from KBH's position and interests in Sunningdale and LWS's position in Sunningdale. These controls include:

- (a) the Non-conflicted Directors being advised by a separate financial advisor and separate legal advisor;
- (b) the Non-conflicted Directors having appointed Provenance Capital Pte. Ltd. as the independent financial adviser to advise the Non-conflicted Directors in respect of the Scheme; and
- (c) KBH and LWS having been excluded from all discussions among the Non-conflicted Directors in relation to the Scheme.

Question 4: Is the IFA independent of the Offeror?

Response:

The IFA was engaged by the Non-conflicted Directors, without any influence from the Conflicted Directors or the Offeror, on the basis that all parties to the Scheme (including the Offeror) should not do anything that could fetter or compromise the independence of the IFA. Accordingly, the recommendation of the IFA was made independently by the IFA without any influence from the Offeror, the Directors or the management of Sunningdale.

Question 5: What will happen if the Scheme fails?

Response:

In the event that the Scheme is not approved by the requisite majority of Scheme Shareholders at the Scheme Meeting, Sunningdale will continue to be listed on the Mainboard of the SGX-ST.

Question 6: Will Sunningdale pay investors a dividend in respect of FY2020 if the Scheme is approved by the requisite majority of Scheme Shareholders at the Scheme Meeting?

Response:

This remains a decision for the Board to consider and decide in due course. In determining whether to recommend a dividend, the Board will take into account various factors including the level of available cash, the expected cash requirements of the business and the need for ongoing investments to sustain and grow the business.