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

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**RESPONSE TO SGX-ST'S QUERIES ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR EDNED 31 DECEMBER 2015**

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The Board of Directors of Sunningdale Tech Ltd (the "Company") refers to the queries raised by SGX-ST on the Annual Report ended 31 December 2015 and wishes to provide further information as follows:-

**SGX-ST's Query**

As required under Listing Rule 710, please make disclosures as recommended in the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code guidelines:-

- a. Guideline 2.4 of the Code states that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to **particularly rigorous review**. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

**Company's response**

With reference to the disclosure under the heading "Board Composition and Guidance" on Page 26 of the Annual Report 2015, the Company confirms the following:

The Board recognizes that independent directors may over time develop significant insights into the Group's business and operations, and can continue to provide significant and valuable contributions objectively to the Board as a whole. When there are such directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these directors. Presently, Mr Gabriel Teo Chen Thye, Mr Steven Tan Chee Chuan, Mr Kaka Singh and Mr Ong Sim Ho have served as independent directors of the company for more than nine years since their initial appointment. The Board has subjected their independence to a particularly rigorous review.

The NC and the Board believe that Mr Gabriel Teo Chen Thye, Mr Steven Tan Chee Chuan, Mr Kaka Singh and Mr Ong Sim Ho continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as a director of the company. They have continued to express their individual viewpoints, debated issues and objectively scrutinized and challenged management. They have sought clarification and amplification as deemed required, including through direct access to the Group's employees.

The company's precision engineering focus and geographical dispersion in countries like Latvia, Mexico and Brazil means that an in-depth understanding of the business and operating environment of the Group is important. The directors provide the Company with much needed experience and knowledge of the Industry.

After taking into account all these factors, and also having weighed the need for Board refreshment against tenure for relative benefit, the Board has determined Mr Gabriel Teo Chen Thye, Mr Steven Tan Chee Chuan, Mr Kaka Singh and Mr Ong Sim Ho to be considered independent directors, notwithstanding that they have served on the Board for more than nine years from the date of their first appointment.

- b. Guideline 9.2 of the Code states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis. For administrative convenience, the company may round off the disclosed figures to the nearest thousand dollars. There should be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

We note that the **upper limit** of the remuneration band has not been disclosed for Khoo Boo Hor on page 33 of Annual Report 2015.

As required under Listing Rule 1207(12), please make disclosure as recommended in the Code, or otherwise disclose and explain any deviation from the recommendation.

### **Company's response**

The remuneration band for Khoo Boo Hor on Page 33 of the Annual Report 2015 is **above \$750,000 and below \$999,999**.

- c. Guideline 11.3 of the Code states, *inter alia*, that the Board should comment on the adequacy and **effectiveness** of the internal controls, including financial, operational, compliance and **information technology** controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

### **Company's response**

With reference to the disclosure under the heading "Risk Management and Internal controls" on page 34 and 35 of the Annual Report 2015, the Company confirms the following:

Based on the existing policies, procedures, more fully described under the heading "Internal control", and the work performed by both the internal and external auditors, the Board, with the concurrence of the Audit Committee, is of the opinion that the system of internal controls, maintained by management addressing the financial, operational, compliance and information technology risks, is adequate and effective in meeting the needs of the current Group's business operations.

BY ORDER OF THE BOARD

DOROTHY HO

Company Secretary

26 April 2016