

Sunningdale Tech Ltd

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

RESPONSE TO SGX-ST'S QUERIES ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 2019 and wishes to provide further information as follows:

SGX-ST's Query

- (a) *Listing Rule 715(2) provides that the issuer must engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.*

Please confirm that the Company has complied with Listing Rule 715.

Company's response

The Company's significant foreign-incorporated subsidiaries are audited by member firms of EY Global.

We have disclosed on Page 40 of the Annual Report which states that "The ARC and the Board of directors of the Company have satisfied themselves that in appointing the auditing firms for the Company and its subsidiaries, Rules 712 and 716 of the Listing Manual have been complied with.". We would like to confirm that the Company has complied with Listing Rule 715.

SGX-ST's Query

- (b) *Provision 2.4 of the Code of Corporate Governance (the "Code") provides that the Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.*

Pursuant to Rule 710 of the Listing Manual, where there are variations from the Provisions, the issue must provide the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

In this regard, please clarify how the Company has complied with Provision 2.4 of the Code and in particular, whether there is a board diversity policy and progress made towards implementing the board diversity policy. If not, please explain the reason for variation and how the practices adopted by the Company are consistent with the intent of the relevant principle.

Company's response

We would like to refer you to Board size and board composition on Page 24 of the Annual Report.

Our board diversity policy ("Policy") is "to have a diverse board to enhance decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value". We believe this is in line with the requirements to avoid groupthink and foster constructive debate

In the 2nd paragraph, we disclose the range of diversity perspectives considered, which include but not limited to gender, age, cultural and education background, professional experience, skills, independence and knowledge.

Each year, the Nominating Committee reviews and assesses the size and composition of the Board and the board committees and the skills and core competencies of its members to ensure an appropriate balance of skills, experience and gender. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.

We confirmed that the Company has complied with Provision 2.4 of the Code and in particular, with having the Policy and with progress being made towards implementing the Policy. The Nominating Committee monitors the implementation of this Policy and will from time to time, reviews this Policy, as appropriate, to ensure its effectiveness.

SGX-ST's Query

(c) *Under Provision 8.1 of the Code, the company has to disclose in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (i) each individual director and the CEO; and (ii) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.*

We note that the Company did not disclose the remuneration of each individual director and the CEO and the aggregate remuneration of the top five key management personnel (who are not directors or the CEO) on page 36 of the Annual Report. Please explain the reason for variation and how the practices adopted by the Company are consistent with the intent of the relevant principle.

Company's response

The reason for the variation is explained on Page 37 of the Annual Report. It states "In view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of the Non-Executive Directors, Independent Directors, CEO, Executive Director and the Key Management Personnel in this Annual Report to avoid such information being exploited by competitors and to maintain personal confidentiality on remuneration matters".

The aggregate remuneration of the Directors and the top five key management personnel (who are not directors or CEO) are disclosed in Note 31(b) on Page 124.

SGX-ST's Query

- (d) *Provision 8.2 of the Code provides that the company should disclose in its annual report, inter alia, the name and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000.*

We note that the Company stated on page 37 of the Annual Report that “[there] are no employees as at 31 December 2019 who are related to the Directors”. Please clarify there are any employees who are substantial shareholders of the Company or are immediate family members of the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year.

Company's response

We confirm that as at 31 December 2019, there are no employees who are substantial shareholders of the Company or are immediate family members of the CEO or a substantial shareholder of the Company.

BY ORDER OF THE BOARD

Benny Lum
Company Secretary
27 April 2020