

Tech Group Asia And Sunningdale Announce Merger To Create \$500m Precision Plastics Powerhouse

- ✓ Merged company to focus on four key sectors – Auto, Telco, Consumer/IT and Medical with global presence
- ✓ Koh Boon Hwee named Chairman and CEO of merged entity which will be renamed Sunningdale Tech Ltd
- ✓ Wide spectrum of capabilities including product design, ultra-precision tooling, precision moulding, finishing processes and assembly

SINGAPORE, 11 January 2005 – Sunningdale Precision Industries Ltd (“Sunningdale”) and Tech Group Asia Ltd (“Tech Group Asia”) today announced their merger to create a precision plastics components powerhouse with a combined market capitalisation of over S\$500¹ million. The merged company will have a global manufacturing footprint spread over five countries, covering almost all key manufacturing centres in Asia. It will also boast a wide spectrum of capabilities ranging from product design, ultra-precision tooling and precision moulding to finishing processes and assembly.

The merged company will be named **Sunningdale Tech Ltd (“SunningTech”)** and will focus on four key sectors - automotive, telecommunications, consumer / information technology (“IT”) and medical.

¹ Based on the closing market prices of Tech Group Asia shares and Sunningdale shares as of 10 January 2005

Mr Koh Boon Hwee, currently Executive Director at Tech Group Asia, will be Chairman and Chief Executive Officer of the enlarged group. Dr Ng Boon Hoo (currently Executive Chairman of Sunningdale) and Mr Neo Age Seng (currently Chief Executive Officer of Tech Group Asia) will assume the positions of Joint Chief Operating Officers. Tech Group Asia and Sunningdale will accelerate integration planning which is already in progress and a detailed management and operational structure will be announced later.

The two companies said in a joint statement that Tech Group Asia would effect the merger by issuing 363 million new shares to Sunningdale shareholders in exchange for their Sunningdale shares. This would enlarge Tech Group Asia's share capital base to 734² million shares and make Sunningdale a wholly-owned subsidiary of Tech Group Asia. Following the merger, existing Tech Group Asia and Sunningdale shareholders will each hold about half of Tech Group Asia, to be renamed Sunningdale Tech Ltd.

The merger is subject to approval by shareholders of both companies and the sanction of Sunningdale's scheme of arrangement by the High Court. The merger is expected to be completed by June 2005.

Mr Koh told a news conference: "There is a strong strategic fit between our two companies and this union should unleash synergies in terms of our core competencies, geographical presence, technology, customers and people, as well as enable us to harness economies of scale. The merger will also position us to be a significant player in manufacturing high-precision plastic components in each of our four chosen sectors."

"As the trend for outsourced manufacturing gathers pace in these four areas, capability, size and geography will matter more. The merged entity fulfils these requirements. Together, we seek to chart a growth path through increased capabilities, wider service offerings, broader geographic coverage, enhanced technology and economies of scale," he said.

SunningTech will operate in 23 facilities located in Singapore, Malaysia (Johor), China (Tianjin, Shanghai, Suzhou and Zhuhai), Indonesia (Bintan), and Mexico³. Capitalising on the opportunities created, SunningTech expects to increase its combined staff to cater to its expanding operations as new facilities are being brought online to satisfy customers' demands for its services.

² Computed on a fully-diluted basis

³ Excludes TGA's associated company in the Philippines

Commenting on the transaction, Mr Steven Uhlmann, Chairman of Tech Group Asia, said: “The combination of our business and Sunningdale will present new opportunities and form the critical mass needed to accelerate growth. We can leverage on each other’s capabilities and clientele to increase product penetration and widen our service offerings to our customers. Both parties should be able to derive synergies from our customer base, capacity, technology and capability.”

Dr Ng Boon Hoo, Executive Chairman of Sunningdale, said, “Twenty years after Sunningdale was founded, it is about to leapfrog to the next level of growth. We recognise the tooling capabilities of Tech Group Asia and its competence in two sectors we have not penetrated – consumer/IT and medical products. This merger will help solidify both companies’ positions in Asia and across all four key sectors. It will also make us a versatile plastic component manufacturer with wider product mix and stronger sales network.”

Based on pro forma results, the enlarged group would have generated net income of S\$32.8 million from combined pro forma revenues of S\$268.9 million for the 12 months ended 30 June 2004.

DBS Bank is the exclusive financial adviser for Tech Group Asia and Standard Chartered Bank for Sunningdale.

End of release

Note: This Press Release should be read in conjunction with the full text of the Announcement dated 11 January 2005. A copy of the Announcement is available on www.sgx.com.

The Directors of Tech Group Asia and Sunningdale (including those who have been delegated detailed supervision of this Press Release) have taken all reasonable care to ensure that the facts and opinions stated in this Press Release are fair and accurate, and that no material facts have been omitted and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources, the sole responsibility of the Directors of Tech Group Asia and Sunningdale has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Press Release.

Transaction Fact Sheet

Consideration	All-stock transaction. TGA will issue 363 million new shares to SPI shareholders in exchange of their shares, enlarging TGA's share capital to 734 million shares (computed on a fully-diluted basis).		
Structure	SPI will delist from SGX following approval from High Court. TGA will apply for name change and continue to be listed on SGX as Sunningdale Tech Ltd (" SunningTech ").		
Key Financials	Pro forma revenue and net profit of SunningTech for financial year ended 30 June 2004 of approximately S\$268.9 million and approximately S\$32.8 million respectively.		
Key Sectors	Automotive, Telecommunication, Medical, Consumer/IT		
Key Competencies	<ul style="list-style-type: none"> ✓ Product Design ✓ Mould Design ✓ Mould Fabrication ✓ Injection Moulding ✓ Two-Shot Injection Moulding ✓ In-Mould Decoration (IMD) ✓ Automated Contract Assembly ✓ Automated Insert moulding ✓ Gas-assisted Moulding 	<ul style="list-style-type: none"> ✓ High Speed Thin Wall Moulding ✓ Ultra Precision Injection Moulding ✓ Ultrasonic Welding ✓ Laser Etching ✓ Hot Stamping ✓ Backlight/light guide ✓ Automated Spray Painting 	
Board of Directors of SunningTech	9 directors to comprise the Board – 3 from SPI, 3 from TGA and 3 independent members to form the new Board. Mr Koh Boon Hwee will be Chairman & CEO, Dr Ng Boon Hoo and Mr Neo Age Seng will be Joint COOs.		
Manufacturing Locations	Company	Country	No. of Facilities
	Tech Group Asia	Singapore	4
		Malaysia	3
		China	3
	Sunningdale	Singapore	2
		Indonesia	1
		Malaysia	3
		Mexico	1
		China	6
	Combined	5 countries	23 facilities
Timetable	January 2005	Sign Merger Agreement	
	June 2005	Expected completion	

Tech Group Asia Ltd

Tech Group Asia is an integrated precision plastic component supplier providing product and mould design, mould fabrication, injection moulding, post-moulding finishing and assembly services in Singapore, Malaysia, and China. Tech Group Asia's total service package includes product and mould design, mould manufacturing, advanced moulding capabilities, post-moulding secondary operations and assembly solutions. It also selectively offers original design manufacturing services. Major customers include American, European and Japanese original equipment manufacturers in the computer and computer peripherals, consumer, automotive and medical/healthcare industries.

In the first quarter of FY2005, Tech Group Asia recorded net profit of S\$5.6 million from revenue of S\$42.2 million. As at the close of trading on 10 January 2005, Tech Group Asia's market capitalisation stood at S\$292.7 million.

Sunningdale Precision Industries Ltd

Sunningdale is a one-stop integrated precision plastic manufacturing company, providing total manufacturing solutions for engineering plastic requirements, including plastic products design, mould design and manufacture, injection moulding of plastic parts and contract manufacturing of assembled plastic products with secondary processes. Sunningdale's key capabilities are precision mould fabrication, plastic injection moulding, two-shot injection moulding, spray-painting and laser etching. Sunningdale focuses on servicing customers in the automotive and telecommunications industries, and its major customers include American, European and Japanese multi-national corporations.

For the nine months ended 30 September 2004, Sunningdale registered net profit of S\$14.2 million generated from revenue of S\$97.0 million. As at the close of trading on 10 January 2005, Sunningdale's market capitalisation stood at S\$277.5 million.

Issued on behalf of Tech Group Asia Ltd and Sunningdale Precision Industries Ltd by WeR1 Consultants Pte Ltd

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