

Sunningdale reports 9.1% rise in revenue to S\$188.1 million for 3Q2017 driven by growth across all business segments

- Net profit rises 37.8% yoy to S\$10.9 million, excluding the impact of foreign exchange losses and one-off costs
- EBITDA increases 12.3% yoy to S\$20.6 million as the Group's sustainable business model maintains growth momentum, supported by a diversified customer base and widening product offering
- Continued focus on operating cash flow contributes to a resilient balance sheet with net cash at S\$7.8 million

SINGAPORE – 8 November 2017 – Singapore Exchange Mainboard-listed Sunningdale Tech Ltd. (“Sunningdale Tech” or “the Group”), a leading manufacturer of precision plastic components, announced its financial results for the third quarter (“3Q2017”) and nine months (“9M2017”) ended 30 September 2017.

Financial Highlights

(S\$'000)	3Q2017	3Q2016	Change	9M2017	9M2016	Change
Revenue	188,146	172,478	9.1%	537,505	500,338	7.4%
Gross Profit	26,948	24,440	10.3%	80,493	69,251	16.2%
Gross Profit Margin (%)	14.3	14.2	0.1 pts	15.0	13.8	1.2 pts
Net profit	7,716	10,184	(24.2)	23,613	17,570	34.4
Net Profit Margin (%)	4.1%	5.9%	(1.8) pts	4.4%	3.5%	0.9 pts
Net Profit (Excluding one-off costs & FX gains/losses)	10,903	7,910	37.8%	31,398	21,635	45.1%
EBITDA*	20,599	18,344	12.3%	60,735	51,197	18.6%
Earnings per Share - Basic (Sing cents)	4.10	5.45	(24.8)	12.56	9.41	33.5
Net Asset Value per Share (Sing \$)	1.89	1.74	8.6%	1.89	1.74	8.6%

*EBITDA=Gross profit - G&A + depreciation + one-off SG&A expenses excluding JV profit/loss

Despite an uncertain business climate characterised by subdued sentiment, the Group's diversified business segments managed to report steady growth as revenue increased 9.1% year-on-year (“yoy”) to S\$188.1 million.

This rise in topline was fueled by growth across all segments, led by the cyclical Mould Fabrication segment which increased 35.0% yoy to S\$36.0 million. The Group's Automotive segment increased 2.5% yoy to S\$63.2 million while the Consumer/IT segment rose 5.6% yoy to S\$76.9 million. Similarly, revenue from the Healthcare segment grew 6.2% yoy to S\$12.1 million.

In line with the growth in revenue, the Group's gross profit increased 10.3% yoy to S\$26.9 million while gross profit margin expanded to 14.3% in spite of headwinds such as rising labour costs and pricing pressure from customers. Year to date, the Group's gross profit margin expanded 1.2 percentage points to 15.0% for 9M2017.

The Group's robust core business operations contributed to a 12.3% yoy increase in Earnings Before Interest, Taxes and Depreciation ("EBITDA") to S\$20.6 million for 3Q2017 while EBITDA margin improved to 10.9%.

During the quarter, the Group recorded foreign exchange losses of S\$3.1 million compared to a foreign exchange gain of S\$2.3 million for 3Q2016. This was primarily attributed to the volatility of the US dollar. In addition, the Group reported one-off retrenchment costs of S\$0.1 million. Excluding the impact from foreign exchange gains/losses and retrenchment costs, the Group's core net profit increased 37.8% yoy to S\$10.9 million.

The Group continued to generate strong positive operating cash flow of S\$33.7 million for 9M2017. This contributed to balance sheet strength with cash and cash equivalents amounting to S\$111.0 million. After accounting for loans and borrowings totaling S\$103.2 million, the Group's net cash position stood at S\$7.8 million as at 30 September 2017 (31 Dec: S\$15.5 million). This decline was mainly due to higher dividends paid amounting to S\$16.0 million (9M2016: S\$9.3 million), capital expenditure for future growth, and foreign currency translation losses.

"Our resilient business model, underpinned by strong fundamentals, sets the foundation for sustainable long-term growth. Within each of our segments, we continue to chart steady growth as our global footprint and competitive edge as a leading one-stop precision plastic engineering company allows us to win new projects across a diverse range of blue-chip customers.

Operationally, our priorities lie in driving efficiency and boosting productivity. We are continuously optimising resources across our 19 manufacturing locations and streamlining our operations to mitigate business headwinds such as rising labour costs and foreign exchange volatility. Despite the adverse impact of foreign exchange, we have demonstrated the ability to improve our gross profit and EBITDA margins. In order to maintain this trend, our business development efforts are focused on securing higher margin complex engineering projects as we continue to leverage on our world-class technological capabilities.

As we continue to win projects from new and existing customers, we are progressively adding capacity at our latest manufacturing facility in Chuzhou, China. In addition, the construction of our 20th manufacturing location in Penang is ongoing and remains on track for completion in the first quarter of 2018.

Heading into the final quarter of the year, we remain vigilant in a constantly evolving business environment. Nevertheless, our relentless pursuit of operational excellence has ensured that our long-term vision of building a sustainable and profitable business model remains on track.”

Mr. Khoo Boo Hor, CEO & Executive Director

- The End -

About Sunningdale Tech Ltd. (Bloomberg Code: SUNN:SP)

Sunningdale Tech Ltd is a leading manufacturer of precision plastic components. The Group provides one-stop, turnkey plastic solutions, with capabilities ranging from product & mould designs, mould fabrication, injection moulding, complementary finishings, through to the precision assembly of complete products.

Boasting a total factory space of more than 3 million sq feet, with more than 1000 injection moulding machines and a tooling capacity of 3,500 moulds per year, Sunningdale Tech is focusing on serving four key business segments – automotive, consumer/IT/environment, healthcare and tooling.

With manufacturing facilities across Singapore, Malaysia (Johor), China (Chuzhou, Guangzhou, Shanghai, Suzhou, Tianjin and Zhongshan), Latvia (Riga), Mexico (Guadalajara), Indonesia (Batam), Thailand (Rayong), India (Chennai) and Brazil (Atibaia). Sunningdale Tech is strategically positioned to target and capture opportunities in diverse business sectors globally using third-party logistic partners.

For more information, please visit <http://www.sdaletech.com>.

Issued for and on behalf of Sunningdale Tech Ltd. by Financial PR

For more information please contact: Chong Yap TOK /James BYWATER

Email: tech@financialpr.com.sg Tel: (65) 64382990 Fax: (65) 64380064