

Sunningdale reports record revenue of S\$724.5 million for FY2017

- Core net profit rises 32.8% yoy to S\$42.0 million excluding the impact of foreign exchange losses, one-off disposal gains and retrenchment costs
- Gross profit increases 11.9% yoy to S\$105.5 million while gross profit margin expands 0.8 percentage points to 14.6% driven by improvements in operational efficiency
- Board of Directors recommends a final dividend of 4.5 Sing cents to reward shareholders, increasing total dividends for FY2017 to 7.0 Sing cents (FY2016: 6.0 Sing cents)

SINGAPORE – 22 February 2018 – 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 fourth quarter (“4Q2017”) and full year (“FY2017”) ended 31 December 2017.

Financial Highlights

(S\$'000)	4Q2017	4Q2016	Change	FY2017	FY2016	Change
Revenue	187,040	184,119	1.6%	724,545	684,457	5.9%
Gross Profit	25,040	25,084	(0.2)%	105,533	94,335	11.9%
Gross Profit Margin (%)	13.4	13.6	(0.2) pts	14.6	13.8	0.8 pts
Net profit	7,747	21,501	(64.0)%	31,360	39,071	(19.7)
Net Profit Margin (%)	4.1%	11.7%	(7.6) pts	4.3%	5.7%	(1.4) pts
Net Profit (Excluding one-off gains/costs & FX gains/losses)	10,628	9,829	8.1%	42,032	31,661	32.8%
EBITDA*	18,569	18,166	2.2%	79,304	69,363	14.3%
Earnings per Share - Basic (Sing cents)	4.12	11.42	(63.9)%	16.67	20.91	(20.3)%
Net Asset Value per Share (Sing \$)	1.94	1.87	3.7%	1.94	1.87	3.7%

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

Despite challenging market conditions amid rising competition, the Group reported a 5.9% year-on-year (“yoy”) increase in revenue to a record S\$724.5 million for FY2017. This growth in topline was driven by an increase in revenue from all business segments, led by the Group’s Automotive segment which increased 7.5% yoy to S\$263.8 million.

Similarly, the Group’s Consumer/IT and Healthcare segments increased 4.3% yoy and 6.6% yoy to S\$284.8 million and S\$51.7 million respectively. Adding further fuel to growth was the Group’s Mould Fabrication segment which increased 5.7% yoy to S\$124.3 million.

Spurred by its relentless pursuit in improving operational efficiency, the Group’s gross profit increased 11.9% yoy to S\$105.5 million. Correspondingly, the Group’s gross profit margin improved 0.8 percentage points to 14.6%.

The Group's robust core business operations contributed to a 14.3% yoy increase in EBITDA to S\$79.3 million. This translated to an EBITDA margin improvement from 10.1% for FY2016 to 10.9% for FY2017.

(S\$'000)	FY2017	FY2016	Change
Profit for the period	31,360	39,071	(19.7)%
Adjustments:			
Foreign exchange loss/(gain)	10,647	(8,952)	(218.9)%
Gain on disposal of PP&E	(342)	(4,984)	(93.1)%
Retrenchment costs	367	6,526	(94.4)%
Core net profit	42,032	31,661	32.8%

During the year, the Group suffered foreign exchange losses amounting S\$10.6 million as compared to foreign exchange gains of S\$9.0 million for FY2016. This was primarily attributed to the depreciation of the US dollar against the respective functional currencies of the Group's entities. Excluding the impact of foreign exchange losses, one-off disposal gains and retrenchment costs, the Group's core net profit increased 32.8% yoy to S\$42.0 million.

The Group continued to generate strong positive operating cash flows of S\$36.3 million for FY2017. This contributed to balance sheet strength with cash and cash equivalents amounting S\$105.3 million. After accounting for loans and borrowings totaling S\$103.7 million, the Group's net cash position stood at S\$1.6 million as at 31 December 2017 (31 Dec 2016: S\$15.5 million). This decline was mainly due to higher dividends paid amounting to S\$16.0 million (FY2016: S\$9.3 million), capital expenditure for future growth, foreign currency translation losses, higher income tax paid and the purchase of other investments.

“Despite an increasingly competitive environment, our diversified and resilient business model continued its growth trajectory as we delivered another record year of revenue which reached S\$724.5 million for FY2017. While our business development initiatives were successful in broadening our product mix and winning new customers, we were impacted by macroeconomic factors beyond our control such as foreign exchange volatility.

Nevertheless, our core business operations remain robust as we continue to streamline our operations. On daily basis, we make improvements to operational efficiency and implement initiatives geared towards boosting our productivity. Our emphasis on ensuring long-term sustainability has also led to the enhancement of our competitive edge, as we continuously invest in cutting-edge technologies while catering to the needs of our customers.

Our global manufacturing footprint will soon span 20 locations across nine countries as we open our new 15,000 square meter plant in Penang, Malaysia during the first quarter of



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2018. This extensive footprint has instilled confidence in customers about our ability to handle global projects in different regions. As we gain closer proximity to key customers, we continue to optimise resources within each region while progressively adding capacity with new contract wins.

Looking ahead, we remain cautious of the headwinds in an ever-changing business landscape. We expect the global business environment to remain subdued as rising economic uncertainties continue to present us with challenges. However, our overarching strategy of building a sustainable and profitable business model is well on track. While charting steady growth, we want to thank our shareholders for their continued support in achieving our vision. To reward shareholders and as a mark of confidence in our operations, the Board has recommended a final dividend of 4.5 Sing cents, increasing total dividends for FY2017 to 7.0 Sing cents (FY2016: 6.0 Sing cents)."

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 2,500 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

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