

Sunningdale reports an 18.8% yoy rise in net profit to S\$9.7 million; declares interim dividend of 3.0 Singapore cents per share

- Revenue rises 2.4% yoy to S\$181.9 million driven by growth across the Automotive, Healthcare and Mould Fabrication segments
- Operations at the Group's 20th manufacturing facility in Penang have commenced while pilot runs for mass production scheduled for ramp up in 2H2018 remain on track
- Outlook within each business segment remains stable entering the seasonally stronger 2H2018
- Declares interim dividend of 3.0 Singapore cents per share

SINGAPORE – 8 August 2018 – Singapore Exchange Mainboard-listed Sunningdale Tech Ltd. (“Sunningdale Tech” or “the Group”), a leading manufacturer of precision plastic components, has announced its financial results for the second quarter (“2Q2018”) ended 30 June 2018.

Financial Highlights

(S\$'000)	2Q2018	2Q2017	Change
Revenue	181,866	177,578	2.4%
Gross Profit	23,043	27,694	(16.8)%
Gross Profit Margin (%)	12.7%	15.6%	(2.9) pts
Net profit	9,737	8,199	18.8%
Net Profit Margin (%)	5.4%	4.6%	0.8 pts
Net Profit (Excluding one-off gains/costs & FX gains/losses)	7,350	10,948	(32.9)%
EBITDA*	16,228	21,087	(23.0)%
Earnings per Share - Basic (Sing cents)	5.15	4.36	18.1%
Net Asset Value per Share (Sing \$)	2.01	1.86	8.1%

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

Despite negative trade war sentiment, the Group reported a 2.4% year-on-year (“yoy”) increase in revenue to S\$181.9 million for 2Q2018. While growth was registered across the Group's Automotive, Healthcare and Mould Fabrication segments, overall topline performance was weighed down by a decline in the Consumer/IT segment.

Revenue from the Automotive segment increased 8.4% yoy to S\$71.1 million while the Healthcare segment increased 10.0% yoy to S\$13.7 million. Similarly, Mould Fabrication increased 4.1% yoy to S\$29.8 million.

Conversely, revenue from the Group's Consumer/IT segment was impacted by certain projects reaching end-of-life while new projects in the pipeline have yet to commence the ramp-up phase. Accordingly, the Consumer/IT segment declined 5.2% yoy to S\$67.4 million.

(S\$'000)	2Q2018	2Q2017	Change
Profit for the period	9,737	8,199	18.8
Adjustments:			
Foreign exchange (gain)/loss	(3,375)	2,615	n.m.
Retrenchment costs	-	134	n.m.
Loss incurred in Penang plant	988	-	n.m.
Core net profit	7,350	10,948	(32.9)%

For 2Q2018, the Group reported an 18.8% yoy rise in net profit to S\$9.7 million. However, during the quarter, the Group reported foreign exchange gain amounting to S\$3.4 million as a result of the appreciation of the US Dollar against the respective functional currencies of the Group's entities. In addition, the Group incurred start up losses at its new manufacturing plant in Penang which amounted to S\$1.0 million. Excluding the impact from foreign exchange gains and start up costs, the Group reported core net profit amounting to S\$7.4 million.

Commenting on the Group's latest results announcement, **Group CEO & Executive Director Mr Khoo Boo Hor** said, ***"Our manufacturing facility in Penang is now fully operational and we are progressively adding capacity with new contract wins in both the Consumer/IT and Automotive segments. Naturally, we incurred startup costs as we have also just begun pilot runs for mass production scheduled for 2H2018."***

Despite the slowdown in the Consumer/IT segment which was due to certain projects reaching end of life, we remain confident as plans to ramp up production with key multinational customers are on track for mass production in 2H2018. Within the Consumer/IT segment, we have made a strategic decision to shift from lower-margin projects to focus on high-margin, complex engineering parts."

Looking ahead, the Group continues to reinvest in technology and new machinery in order to stay ahead of the curve as it charts steady growth. Accordingly, capital expenditure increased to S\$12.3 million for 2Q2018.

Mr Khoo added, “Sunningdale is built for long-term sustainability. We continue to sharpen our competitive edge as we remain at the forefront of technology. Our technological capabilities coupled with our global manufacturing footprint have translated to an increasing amount of interest from customers who are confident in our ability to handle global projects. As a result, our order book across all segments remains stable.

Heading into the seasonally stronger second half of the year, we are vigilant of the headwinds such as foreign exchange volatility and rising labour costs. While the market sentiment surrounding a trade war presents challenges to our operations, we remain confident in the Group’s long-term sustainability and profitability. As such, the Board of Directors has declared an interim dividend of 3.0 Singapore cents to reward shareholders for their continued support.”

- 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, Penang), 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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