

Sunningdale reports S\$0.8 million net profit for seasonally weaker 1Q2019

- Revenue declines 5.6% yoy to S\$159.5 million as the Group continues to be impacted by slowing demand within the Automotive segment amid the global slowdown in auto sales
- Strong operating cash flow generation of S\$11.8 million contributes to a strengthening balance sheet as the Group reports a net cash position of S\$9.5 million as at 31 March 2019 (31 December 2018: net debt S\$21.0 million)
- The Group continues to gain traction in the Consumer/IT and Healthcare segments having secured multiple projects from customers in both segments
- Improvements in tightening cost controls and enhancing operational efficiency have translated to improved margins from the lows in 4Q2018, margin pressure is expected to ease in coming quarters

SINGAPORE – 6 May 2019 – 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 first quarter (“1Q2019”) ended 31 March 2019.

Financial Highlights

(S\$'000)	1Q2019	1Q2018	Change
Revenue	159,510	168,974	(5.6)%
Gross Profit	17,253	21,409	(19.4)%
Gross Profit Margin (%)	10.8	12.7	(1.9) pts
Net profit	793	1,940	(59.1)%
Net Profit Margin (%)	0.5%	1.1%	(0.6) pts
Core Net Profit (FX gains/losses, retrenchment costs, gains/losses on disposal of PP&E and finance costs on ROUA)	2,114	7,109	(70.3)%
Earnings per Share - Basic (Sing cents)	0.42	1.03	(59.2)%
Net Asset Value per Share (Sing \$)	1.94	1.98	(2.0)%

Amid subdued global growth, the Group reported a 5.6% year-on-year (“yoy”) decline in revenue to S\$159.5 million for 1Q2019. While the Group’s Consumer/IT, Healthcare and Mould Fabrication segments remained stable, overall topline performance was weighed by a decline in the Automotive segment which was impacted by a decrease in orders from customers as a result of weakening demand across global automotive markets, delays in new project launches and certain projects reaching end-of-life. Consequently, revenue from the Automotive segment declined 14.5% yoy to S\$59.3 million.

Revenue from the Mould Fabrication segment increased 2.3% yoy to S\$28.3 million while both the Consumer/IT and Healthcare segments reported stable revenues of S\$57.8 million and S\$14.1 million respectively.

The Group reported a 19.4% yoy decline in gross profit to S\$17.3 million. Correspondingly, gross profit margin declined 1.9 percentage points to 10.8%. This decline was attributed to lower levels of utilisation in the Automotive segment.

For 1Q2019, the Group's net profit amounted to S\$0.8 million, representing a 59.1% yoy decline.

The Group continued to generate strong positive operating cash flows amounting to S\$11.8 million. This contributed to balance sheet strength as the Group reported a net cash position of S\$9.5 million as at 31 March 2019 (31 December 2018: net debt S\$21.0 million).

Group CEO & Executive Director Mr Khoo Boo Hor said, *“Our continued improvements in tightening cost controls and enhancing operational efficiency have translated to improved margins from the lows we saw in 4Q2018. We expect margin pressure to ease in coming quarters as we continue our emphasis on controlling costs and boosting productivity.*

In the Consumer/IT and Medical segments, we continue to garner strong momentum having secured multiple projects from customers in both segments. In the Automotive segment, we continue to monitor the market closely while aggressively pursuing business development initiatives to secure new projects.

Despite the potential challenging market conditions, we remain confident in our resilient business model. The long-term sustainability and profitability of our operations remains on track as we focus on strengthening the fundamentals of our business which will ultimately bring more enduring long-term value accretion to our shareholders.”

- 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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