

Company Note | **Alpha series**

I Singapore
ADD

Current price:	S\$1.03
Target price:	S\$1.49
Previous target:	N/A
Up/downside:	44.6%
Reuters:	SUND.SI
Bloomberg:	SUNN SP
Market cap:	US\$140.5m
	S\$192.3m
Average daily turnover:	US\$0.11m
	S\$0.15m
Current shares o/s	186.7m
Free float:	64.4%

Key changes in this note

► N/A



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	21.2	14.4	5.1
Relative (%)	12.5	15.5	21.7

Analyst(s)


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Sunningdale Tech Ltd

Blast from the past

- One-stop shop for precision plastic injection moulding solutions.
- Global manufacturing footprint; ranked near the top among North American peers.
- May attract private equity interest given its size and shareholding structure.
- Room for re-rating with ROE improvement on margin expansion.
- Initiate with an ADD rating and target price of S\$1.49 based on 0.8x CY16 P/BV.

One-stop shop

Sunningdale Tech has more than 30 years of experience in the precision plastic injection moulding and mould making industry. It has a diverse customer base ranging from the automotive industry to the consumer/IT and healthcare industries. 80% of its revenue is derived from 30 customers, while the top 10 customers account for 50% of revenue.

What has changed?

In FY14, Sunningdale Tech completed the acquisition of First Engineering. This propelled Sunningdale Tech close to the ranks of the top 10 plastic injection moulders in North America. The acquisition also enlarged the Group's global footprint to 18 manufacturing locations in 9 countries.

Will private equity bite?

In 2015, a vehicle of Baring Private Equity Asia launched an offer for the SGX-listed Interplex Holdings Ltd, a metal stamping company. A key feature of Interplex was its global manufacturing footprint. Another HK private equity fund also launched a bid for Chosen Holdings, a plastic injection moulding peer of Sunningdale Tech. Sunningdale Tech's current revenue size, its global footprint and fragmented shareholding could pique private equity's unsolicited interest.

Can ROEs improve?

Although our base case forecasts assume an unchanged 13.5% gross profit margin over FY16-18, the company could surprise on the upside, as economies of scale and better manufacturing presence lead to margin expansion. This would improve ROEs and could just be the catalysts for a re-rating. Based on their latest full year results, Fu Yu Corporation had a 16% gross margin while Fischer Tech achieved 18% gross margin.

Growth drivers

With the acquisition of First Engineering, the automotive segment now accounts for 41% of sales, excluding mould fabrication revenue. Going forward, we believe the automotive segment will remain an important growth driver as the use of plastics in automotive increases. The company is also anticipating a production ramp up in 2H16 for some automotive projects awarded during the past two years.

Initiate with Add

Based on a justified P/BV of 0.8x (ROE:6.6%, COE:7.6%, zero growth) on a CY16 BVPS forecast, we derive a target price of S\$1.49. Our assumed 20% dividend payout ratio could be conservative, but this is justified by higher capex needs in FY16-17. The payout ratio could increase past its current expansion phase. We initiate with an Add.

Financial Summary	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue (S\$m)	475.6	674.5	713.5	755.1	799.3
Net Profit (S\$m)	27.68	42.10	22.10	23.72	25.47
Core EPS (S\$)	0.15	0.24	0.13	0.13	0.14
Core EPS Growth		55.1%	(46.5%)	6.9%	7.0%
FD Core P/E (x)	6.79	4.38	8.20	7.67	7.17
Price To Sales (x)	0.40	0.28	0.27	0.25	0.24
DPS (S\$)	0.040	0.050	0.024	0.025	0.027
Dividend Yield	3.88%	4.85%	2.30%	2.47%	2.65%
EV/EBITDA (x)	5.95	3.08	1.48	0.98	0.40
P/FCFE (x)	NA	7.75	1.65	5.77	4.18
Net Gearing	10.5%	(0.3%)	(26.2%)	(32.7%)	(41.7%)
P/BV (x)	0.63	0.58	0.55	0.52	0.50
ROE		13.8%	6.9%	7.0%	7.1%
% Change In Core EPS Estimates					
CIMB/consensus EPS (x)					

SOURCE: COMPANY DATA, CIMB FORECASTS

Blast from the past

Investment merits

One-stop solution provider with global foot print ➤

Sunningdale Tech is a one-stop integrated precision plastic manufacturer providing the following services: design and manufacturing of precision moulds, injection moulding of precision engineering plastic components, and secondary processes such as laser etching, spray painting, and printing. Through its early involvement in automotive projects (which can span 12-24 months from the award of projects to mould acceptance and commencement of mass production), it is able to gain access to industry and trend insights and stay competitive. It has 18 manufacturing facilities in 9 countries across Asia, Europe, and the Americas. Its manufacturing facilities are located in Singapore, Malaysia (Johor), Indonesia (Batam), Thailand (Rayong), China (Tianjin, Shanghai, Suzhou and Zhongshan), India (Chennai), Latvia (Riga), Mexico (Guadalajara) and Brazil (Sao Paulo).

Working with Sunningdale Tech means shorter lead-times between the design stage and the production stage for customers. It also eliminates logistical problems for customers arising from the use of multiple suppliers.

Early customer engagement ➤

Sunningdale Tech often gets involved with its customers' Early Supplier Involvement programmes. This has allowed Sunningdale Tech to enhance the quality and reliability of its products, and assist customers to shorten the time to market for their products. Sunningdale Tech constantly upgrades capabilities and works regularly with customers to determine what technology best suits their needs.

Automotive a clear growth driver ➤

Milking the fast-growing automotive markets in Asia ex-Japan, Sunningdale Tech is among the few plastic injection moulding companies which can supply directly to Tier-1 automotive component companies, such as Delphi, Robert Bosch, Siemens VDO, and Visteon. Its relationships with Robert Bosch and Visteon started in 1984 and 1994, respectively. Given its established manufacturing facilities globally, we believe the group is well placed to capitalise on the growing automotive market demand.

Global economy is still growing ➤

In its latest update, the IMF projects that global growth could reach 3.4% in 2016 and 3.6% in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in the emerging market and developing economies. In advanced economies, a modest and uneven recovery is expected to continue. The picture for emerging markets and developing economies is diverse, but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Key 2016 economic growth forecasts are 1) 2.6% for USA, 2) 1.7% for the Euro zone, and 3) 6.3% for China.

Key risks

Raw material cost ➤

Sunningdale Tech's key raw materials comprise mainly plastic resins and paints. As plastic resins are derivatives of petroleum, plastic resin prices are directly affected by fluctuations in petroleum prices. Paint prices are also subject to fluctuations. As per industry practice, there are no formal arrangements with its customers to pass on increases in raw material prices on a timely basis. However, if there are drastic price movements, there is flexibility for renegotiation as raw material prices are transparent and customers are also aware of the pricing situation.

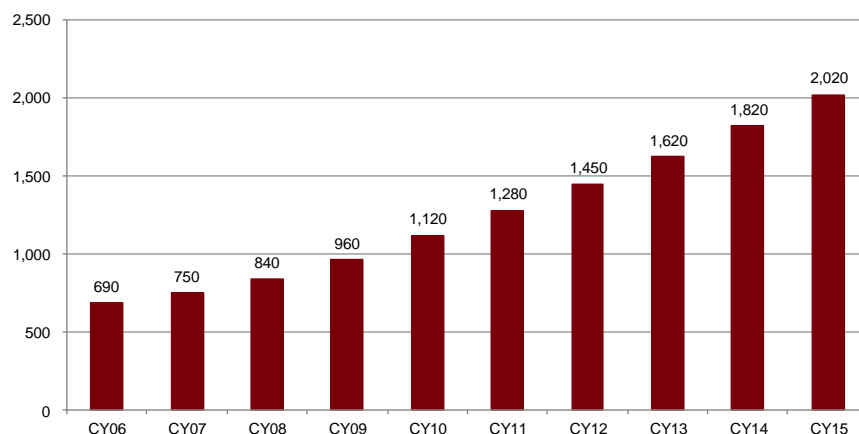
Sunningdale Tech may also face limited flexibility in the choice of its suppliers and raw materials as some customers do dictate these requirements. Some customers will specify the raw materials including plastic resins and paints that are to be used and subsequent change in the raw materials used also have to be authorised by customers.

We estimate that raw materials account for less than 60% of cost of goods sold.

Wage pressure ➤

Manufacturing as an industry has seen constant wage pressure globally. Over the years, China has been raising the minimum wage of its workers. Malaysia has also been doing so and recently hiked its foreign worker levy for the manufacturing sector from RM1,250 per worker to RM1,850 per worker p.a. We estimate that Sunningdale Tech employs some 9,000 to 10,000 workers, of which slightly more than 50% could be based in China. Malaysia's workforce could be approximately 3,000.

Figure 1: China - minimum monthly wages in Rmb



SOURCES: WWW.TRADINGECONOMICS.COM, MINISTRY OF HUMAN RESOURCES AND SOCIAL SECURITY

FX risk ➤

Sunningdale Tech deals with a mixture of US\$, Euro, HK\$ and Rmb. Where possible, natural hedging via purchases in the corresponding currencies is practiced. With the First Engineering merger, FX sensitivity will be clearer once the FY15 Annual Report is released. The FX sensitivity based on its FY14 Annual Report is shown in Figure 2 below.

In FY14, its FX gain was 5.1% of reported pre-tax profit. In FY15, FX gain was a significantly higher 30% of reported pre-tax profit. In FY15, the US\$ appreciated by 7% against the S\$, 4.6% against the Rmb, and 23% against the RM.

Figure 2: FX sensitivity based on FY14 Annual Report

The following table demonstrates the sensitivity to the Group's profit net of tax to a reasonably possible change in the USD, EUR, HKD and RMB exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		Profit net of tax 2014 \$'000	Profit net of tax 2013 \$'000
		Increase/(decrease)	
USD/SGD	- strengthened 1% (2013: 1%)	536	591
	- weakened 1% (2013: 1%)	(536)	(591)
USD/RMB	- strengthened 1% (2013: 2%)	89	158
	- weakened 1% (2013: 2%)	(89)	(158)
EUR/SGD	- strengthened 1% (2013: 4%)	84	536
	- weakened 1% (2013: 4%)	(84)	(536)
HKD/SGD	- strengthened 1% (2013: 1%)	55	38
	- weakened 1% (2013: 1%)	(55)	(38)
RMB/SGD	- strengthened 2% (2013: 2%)	961	1,013
	- weakened 2% (2013: 2%)	(961)	(1,013)

SOURCES: COMPANY REPORTS

Competitors

The mould fabrication and plastic injection moulding industry in Singapore is characterised by a few major companies or group of companies, and a large number of smaller companies, which exist as private limited companies, sole proprietorships or partnerships. Since Sunningdale Tech serves mainly international clients with worldwide operations, the company faces both domestic and international competitors.

Some of the company's global competitors include Key Plastics LLC, Fawn Plastic Inc., Dr Franz Schneider Kunststoffwerke GmbH & Co KG and Marui Industrial Co Ltd.

Sunningdale Tech's local competitors in the automotive industry include players such as Taiyo Technology Singapore Pte Ltd and SGX-listed Fischer Tech Ltd. Other competitors include players such as Fu Yu Corporation Ltd, Hi-P International Ltd, Banshing Industrial Co (Pte) Ltd, and Nypro Inc (owned by US-listed EMS company Jabil).

For mould fabrication, competitors include Flextronics International Singapore Pte Ltd and Fu Yu Corporation Ltd.

Figure 3: SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> • Net cash balance sheet • Margin expansion potential 	<ul style="list-style-type: none"> • Growing use of plastics in automotives • Potential to deepen relationship with existing clients
Weaknesses	Threats
<ul style="list-style-type: none"> • 2 customers accounted for 20% of sales • Labour intensive industry 	<ul style="list-style-type: none"> • Technological changes that may lead to obsolescence • Rising labour costs in China • Subject to global economic and political conditions

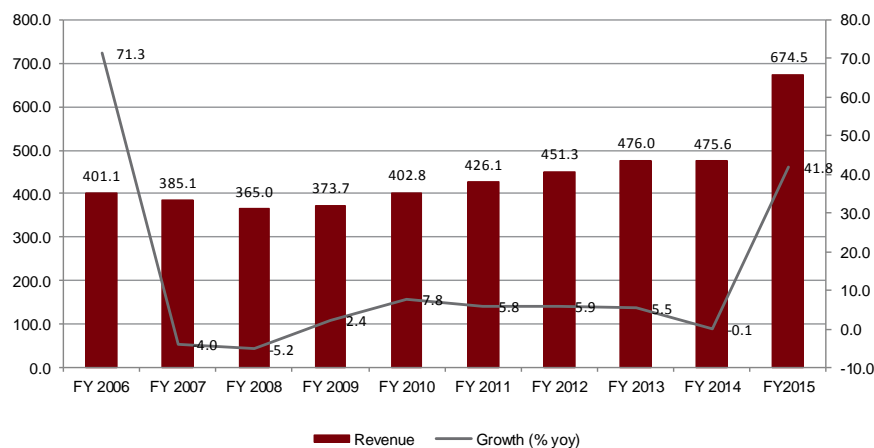
SOURCES: CIMB, COMPANY REPORTS

Financials

Limited revenue growth ►

Over the 10-year period from 2006-2015, revenue has grown by a mere CAGR of 5.9%. Revenue growth was constrained by the declining PC and printer market and competition. The jumps in revenue growth rates in FY06 and FY15 were due to M&As.

Figure 4: Moderate revenue growth



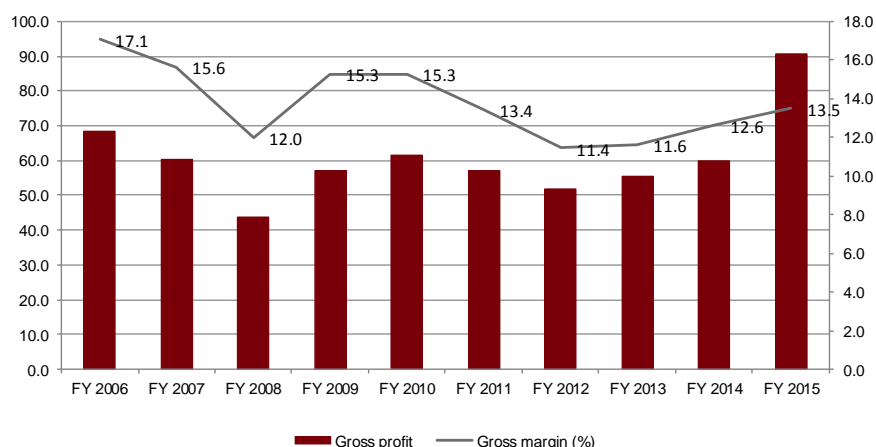
SOURCES: CIMB, COMPANY REPORTS

Margins ►

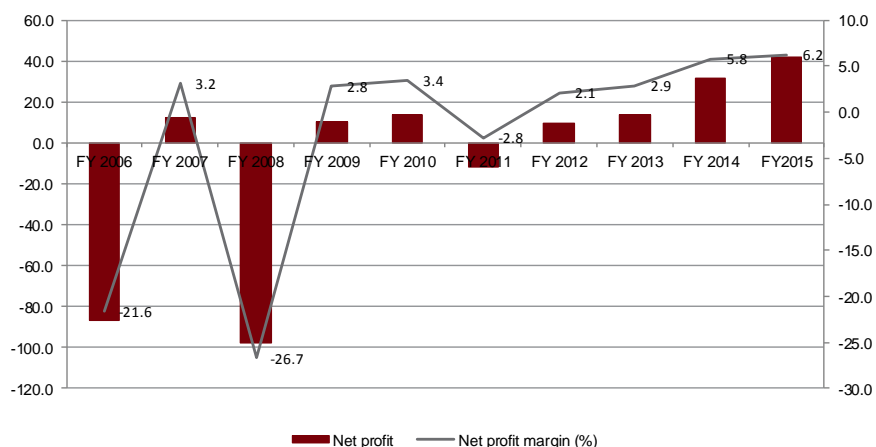
Gross profit margin fell from its peak of 17.1% in 2006 (merged with TGA) to a low of 11.4% in 2012, before a gradual recovery to 13.5% in 2015. Gross margins have been affected by price pressure from customers, the weak US\$ versus the S\$, high raw material costs due to high oil prices, and rising wages in Asia.

Over the past 10 years, Sunningdale Tech has reported net losses in 2006, 2008 and 2011. 2006's loss was due to the impairment loss on goodwill, write-off of customer-related intangible asset, and impairment loss on fixed asset. In 2008, Sunningdale Tech suffered from foreign exchange losses and impairment of goodwill. The loss suffered in 2011 was due to impairment of goodwill of two of its subsidiaries.

Excluding impairment on goodwill, transaction costs, one-off tax credit, write-backs and gains on disposal of buildings, adjusted net profit reported by Sunningdale Tech was S\$36.9m in FY15 and S\$25.3m in FY14.

Figure 5: Gross profit/margin trend

SOURCES: CIMB, COMPANY REPORTS

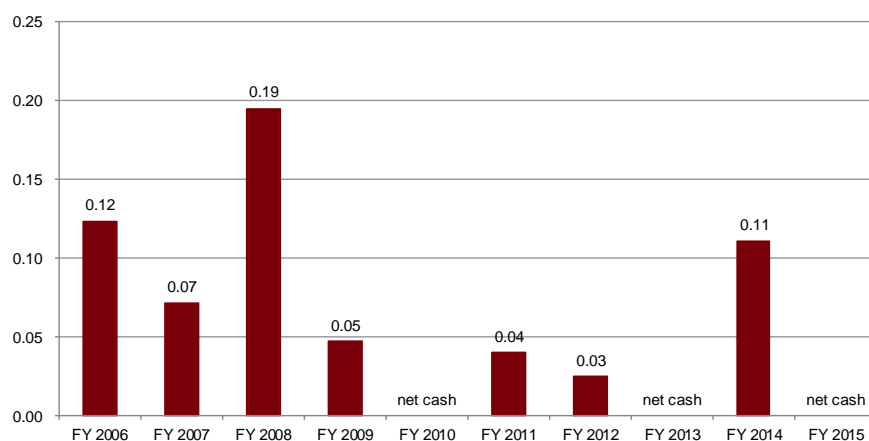
Figure 6: Reported net profit and net profit margin trends

SOURCES: CIMB, COMPANY REPORTS

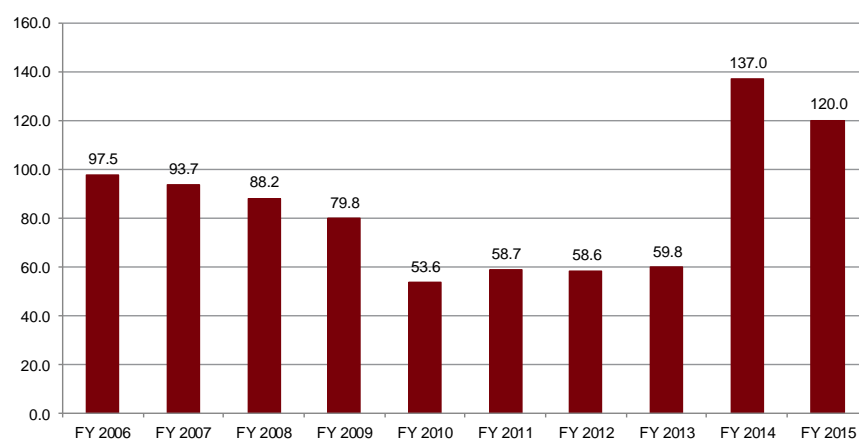
Balance sheet strength ►

Net gearing has been manageable. In the past 10 years, the company had been in net cash positions in FY10, FY13 and FY15, while its net gearing has never exceeded 0.20x.

Over FY10-13, total debt has stayed at between S\$54m and S\$60m. The substantial increase in debt to S\$137m in FY14 was due to the First Engineering acquisition. The Group has a gearing (defined by Sunningdale Tech as net debt/total capital plus net debt) target of less than 40%. As such, total debt has seen some reduction in FY15 to S\$120m.

Figure 7: Net gearing trend

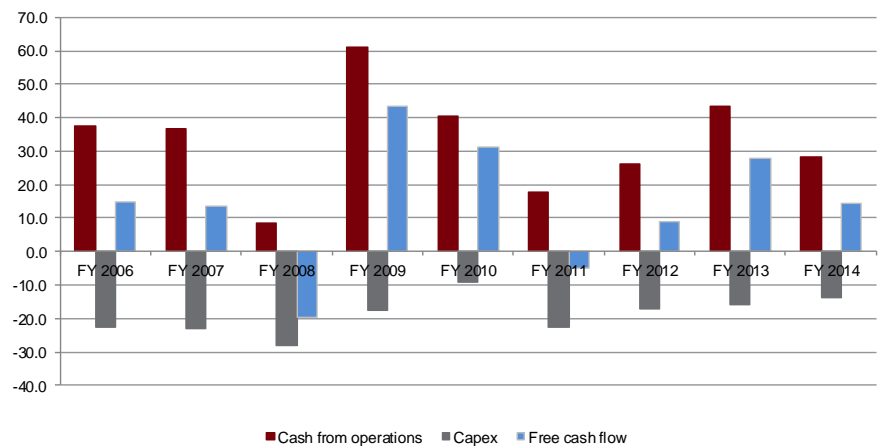
SOURCES: CIMB, COMPANY REPORTS

Figure 8: Total debt position

SOURCES: CIMB, COMPANY REPORTS

Cash flow trends ➤

Cash from operations hit a high of S\$61m in FY09 and this performance was only to be bested six years later in FY15 when cash from operations hit a new record of S\$67m. The company has been free cash flow positive for the past four years. However, the business has been fairly capital intensive. Cumulative capex from FY06-15 was S\$194m. Cash cycle has generally been within 60-70 days.

Figure 9: Cash from operations, capex and free cash flow

SOURCES: CIMB, COMPANY REPORTS

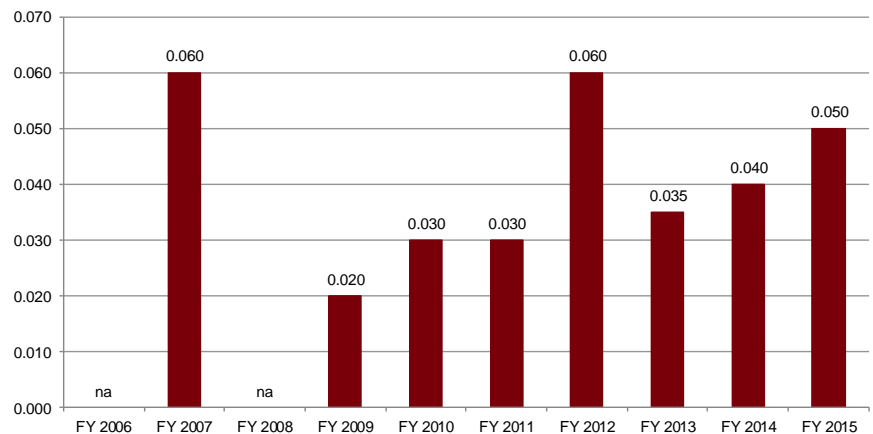
Figure 10: Cash cycle trend

S(\$'m)	As at 31.12.2015	As at 31.12.2014	As at 31.12.2013	As at 31.12.2012	As at 31.12.2011
Receivables	168.1	158.5	104.3	98.6	93.9
Prepayments	4.3	5.0	2.8	2.9	3.9
Inventories	106.2	109.2	76.6	82.2	80.1
Payables and Accruals	141.1	129.8	85.9	88.8	92.1
Excess of progress billings over WIP	9.4	11.9	10.4	8.7	8.8
Working Capital	128.1	130.9	87.5	86.2	77.0
Working Capital (Days)	69	76	67	70	66

SOURCES: COMPANY REPORTS

Dividend policy ►

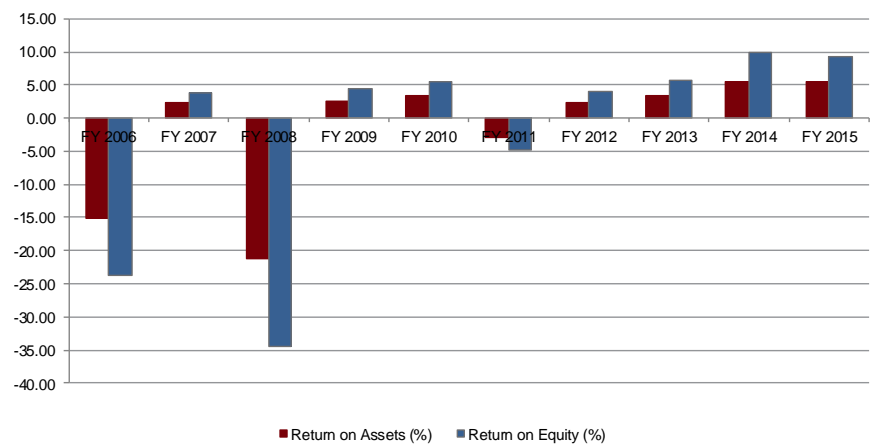
Sunningdale Tech does not have a dividend policy. Over FY06-FY15, the company skipped dividend payments in FY06 and FY08. The highest DPS were in FY07 and FY12 of S\$0.06 each. DPS has been increasing from FY13's S\$0.0 to S\$0.05 in FY15. Its dividend payout ratio has decreased from 39% in FY13 to 22% in FY15. Over FY14-15, the average dividend payout ratio was 25%, while the average dividend payout ratio was 29% over FY13-15.

Figure 11: Dividend trend

SOURCES: CIMB, COMPANY REPORTS

Returns analysis ►

ROA has improved from 2.37% in FY12 to 5.47% in FY15 while ROE has increased from 4.06% in FY12 to 9.20% (on reported earnings) in FY15. The improvement in ROE has been driven by better margins, improvement in asset turnover, and higher financial leverage.

Figure 12: ROA and ROE trend

SOURCES: CIMB, COMPANY REPORTS

Seasonality ►

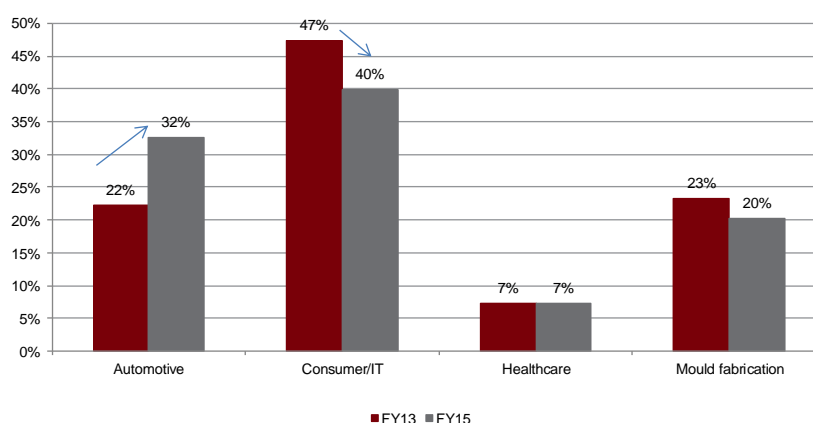
In FY15, 1H made up 47% of full-year sales, while 2H accounted the balance of 53%. Given its large manufacturing presence in China, there is still some seasonality as the Chinese factories take their usual long Lunar New Year break in the 1Q. The company still has some 40% of sales from the consumer/IT segment where product launches tend to be skewed towards the second-half of the year.

FY15 results ►

There are a few key takeaways in the FY15 results:

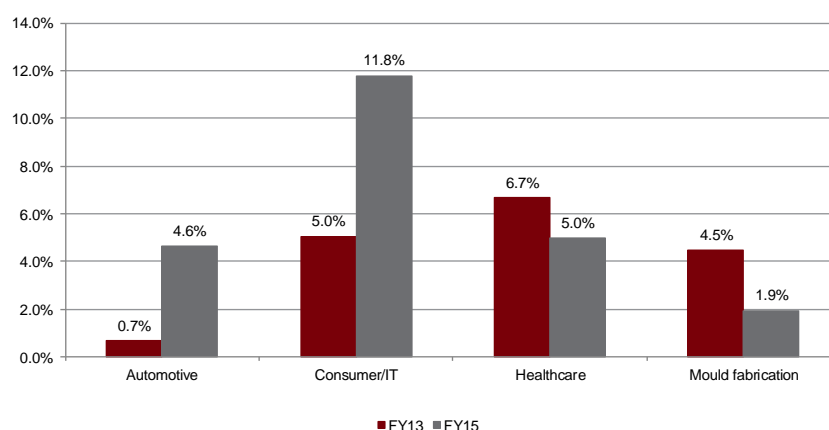
- Sales grew 42% yoy. However, FY14's sales only included one month of First Engineering's contribution as the acquisition was completed in Nov 2014. According to Sunningdale Tech's presentation, sales would have grown 7.2% on a proforma basis.
- FY15's results benefitted from a S\$12.8m FX gain. Excluding this, pre-tax profit would have been lower by 30% at S\$30m versus the reported S\$42.8m.
- FY15 also benefitted from a S\$5.9m tax refund in 4Q, recorded by a subsidiary. This led to an overall tax credit of S\$3.6m for 4Q15 instead of tax expenses. FY15's overall tax expenses were reduced to just S\$0.7m or a mere 1.7% reported tax rate.
- With the First Engineering acquisition, revenue contribution from the automotive segment increased from 22% in FY13 to 32% in FY15, while revenue contribution from the Consumer/IT segment decreased from 47% in FY13 to 40% in FY15.
- While the pre-tax margins for the automotive segment have improved following the First Engineering acquisition, Sunningdale Tech's highest pre-tax margins are in the consumer/IT segment. This is due to higher margin activities such as 2 materials into 1 plastic injection moulding.

Figure 13: Segmental contribution changes with First Eng acquisition



SOURCES: CIMB, COMPANY REPORTS

Figure 14: PBT margin changes with First Engineering acquisition



SOURCES: CIMB, COMPANY REPORTS

Outlook

Company is cautiously optimistic ➤

Sunningdale Tech ended FY15 on a positive note with yoy improvements in gross profit margin, profitability and net cash generated from operating activities. Tailwinds going forward include the still strong US\$ versus regional currencies, benign oil price which lowers raw material and operating costs, while headwinds remain the relentless wage pressure in countries in which Sunningdale Tech operates. In addition, its southern China plant's utilisation remains low after the change of supply chain strategy by two major customers, which was further aggravated later by the economic slowdown in the country. Recovery in operational performance at its southern China factory will likely take some time.

The integration of First Engineering has been completed as planned and some early fruits include cost savings through optimisation of resources and new project wins through cross-selling efforts. Sunningdale Tech expects its overall business to remain stable in 2016 due to its diversified customer base.

The company reports that its sales backlog remains healthy and on a more positive note, there could be a ramp up in production in 2H16 for some automotive projects awarded during the last two years.

Our forecast assumptions ➤

Over FY16-18, our key assumptions are:

- a) sales growth of ~6% p.a., driven mainly by ~8% revenue growth forecast for the automotive segment which accounts for ~33% of group revenue;
- b) conservative assumption of a constant gross profit margin of 13.5% given constant wage pressure;
- c) effective tax rate of 20%;
- d) dividend payout ratio of 20% (FY15: 22%); and
- e) capex will be higher in FY16 and FY17 at S\$33.5m per year on the assumption that Sunningdale Tech spreads its investment spend in Chuzhou over 2 years. Management has guided that maintenance capex is typically ~S\$25m. FY16-17 could see higher capex of up to S\$35m-40m as the company is building a new plant in Chuzhou in China, which is targeted to be operational by 4Q16. Labour costs in Chuzhou are estimated to be at least 50% below those in Shanghai.

Valuation & recommendation

ROE needs to improve to justify premium over book ►

Based on the justified P/BV approach, we value Sunningdale Tech at 0.8x CY16 BVPS of S\$1.86, resulting in a target price of S\$1.49. Our forecast average ROE is 6.6% over FY16-18, while our cost of equity forecast is 8.6% and growth is set at 0%.

At 0.8x P/BV, Sunningdale Tech will be trading below the sector P/BV average of 1.2x. In terms of its own trading history, Sunningdale Tech traded at an average P/BV of 0.6x and +1sd of 0.9x over 2006-2015.

We do note, however, that we have conservatively not assumed margin expansion, which may not be the case. Earnings and target price sensitivity analysis is provided in Figures 18 and 19. Margin expansion will be the key to a re-rating via higher ROEs which will justify a higher P/BV valuation.

Lastly, as a check, we note that in Sep 2015, a Hong Kong private equity fund acquired Chosen Holdings, a SGX-listed plastic injection moulding company, at 1.0x P/BV. Chosen's full-year sales were S\$117m, with gross profit margin of 8%, and a net profit of S\$4m, versus sales of S\$674m, gross margin of 13.5%, and net profit of S\$42m for Sunningdale Tech.

Figure 15: Peer comparisons

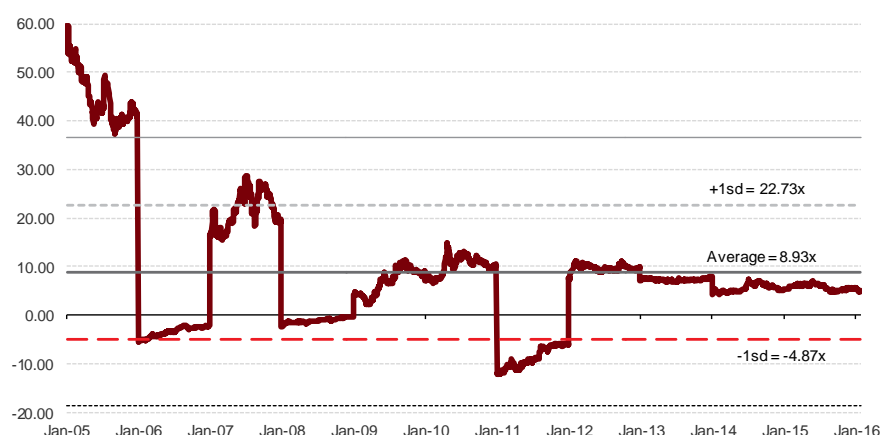
Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x) CY2016	P/E (x) CY2017	3-year EPS CAGR (%)	P/BV (x) CY2016	Recurring ROE (%) CY2016	Dividend Yield (%) CY2016
Sunningdale Tech Ltd	SUNN SP	ADD	1.05	1.49	142.7	8.3	7.8	-14.9%	0.56	6.8%	2.3%
UMS Holdings Ltd	UMSH SP	Add	0.56	0.63	175.8	10.4	9.4	-8.6%	1.23	11.8%	8.9%
Venture Corporation	VMS SP	Add	8.27	9.52	1,674.7	14.1	12.2	10.7%	1.19	8.4%	6.0%
Fischer Tech Ltd	FISC SP	NR	1.00	NA	39.9	na	na	na	na	na	na
Fu Yu Corp Ltd	FUYU SP	NR	0.20	NA	107.7	9.8	9.8	na	0.82	9.6%	10.2%
Hi-P International Ltd	HIP SP	NR	0.40	NA	238.3	10.0	10.0	na	na	5.1%	5.0%
Memtech International Ltd	MTEC SP	NR	0.65	NA	66.8	6.4	5.9	13.2%	0.54	7.7%	7.0%
Simple average (all co)						9.9	9.1	2.0%	1.17	11.0%	6.3%

SOURCES: CIMB, COMPANY REPORTS

Figure 16: Historical average P/BV



SOURCES: CIMB, COMPANY REPORTS

Figure 17: Historical average P/E

SOURCES: CIMB, COMPANY REPORTS

Sensitivity analysis ►

We have assumed a flat 13.5% gross profit margin over FY16-18. Over the past 10 years, the gross profit margin has ranged from 11.4% to 17.1%. Its SGX-listed peer Fischer Tech has reported a gross profit margin range of 11.7% to 20.1% over the past five years. Fischer Tech derives some ~80% of its sales from the automotive industry based on its FY3/16 results. A sensitivity analysis on the impact of gross margin improvements on net profit and our target price is highlighted in Figure 18 and Figure 19 below.

Figure 18: Earnings sensitivity to gross profit margin

(S\$ m)	GPM assumed	FY16	FY17	FY18
Base case net profit*	13.5%	22.1	23.7	25.5
Net profit* at GPM of	14.0%	25.0	26.7	28.7
	% increase in net profit over base case scenario	13%	21%	30%
Net profit* at GPM of	15.0%			
	% increase in net profit over base case scenario	30.7	32.8	35.1
		39%	48%	59%
Net profit* at GPM of	16.0%			
	% increase in net profit over base case scenario	36.4	38.8	41.5
		65%	76%	88%

* excludes all other non-operating income

SOURCES: CIMB, COMPANY REPORTS

Figure 19: Target price sensitivity to gross profit margin

GPM assumed	CY16 BVPS (S\$)	TP at 0.8x P/BV	% chg
13.5% (base case)	1.86	1.49	na
14.0%	1.87	1.50	1%
15.0%	1.90	1.52	2%
16.0%	1.92	1.54	3%

SOURCES: CIMB, COMPANY REPORTS

Figure 20: Peer financial and sales exposure comparison

	Fu Yu	Fischer Tech	Sunningdale Tech
FYE	Dec 15	Mar 15	Dec 15
Sales (S\$ m)	222.5	168.3	674.5
Gross profit (S\$ m)	35.5	31.0	90.8
Gross profit margin (%)	15.9	18.4	13.5
Operating profit* (S\$ m)	15.3	11.7	33.1
Operating profit margin (%)*	6.9	37.7	4.9
Net profit** (S\$ m)	11.4	7.8	29.3
Net profit margin (%)**	5.1	25.2	4.3
Net gearing	net cash	net cash	net cash
* excludes associates and FX			
** excludes FX			
	Fu Yu***	Fischer Tech	Sunningdale Tech#
Automotive	2.0	78.9	40.7
Consumer/IT	88.0	15.5	50.0
Healthcare	10.0	5.6	9.3
*** based on press interview			
# excludes mould fabrication revenue			

SOURCES: CIMB, COMPANY REPORTS

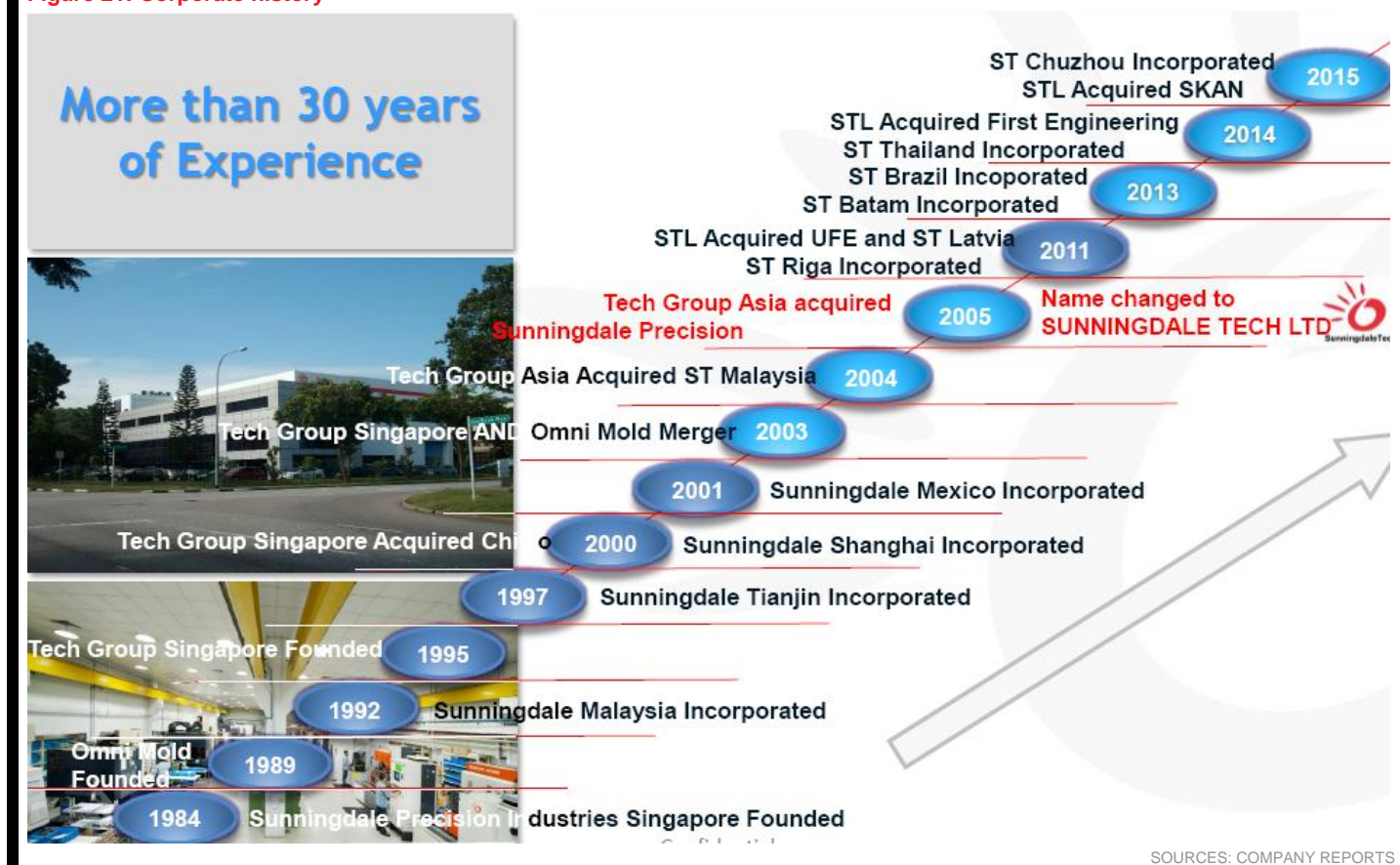
Company Background

Company profile ►

Sunningdale Precision Industries was founded by its then-Chairman Dr. Ng Boon Hoo (no longer involved in Sunningdale) in 1984. The company started with only three injection moulding machines, supplying plastic injection parts to customers largely in the automotive sector. Over the years, through M&As, its business segments have expanded to include Consumer/IT and Healthcare. Today, the Group is known as Sunningdale Tech Ltd.

In July 2005, Sunningdale Precision Industries merged with Tech Group Asia. Tech Group Asia itself merged with another listed peer, Omni Mold in 2003. In November 2014, Sunningdale Tech completed the acquisition of First Engineering Limited (details on page 27 of this report) in November 2014.

Figure 21: Corporate history



Today, the group is able to offer a one-stop solution for most plastic related components. Sunningdale's capabilities range from mould design, mould fabrication, injection moulding, finishing and assembly. Customers can also pick from Sunningdale's global footprint to suit their needs.

Key segments:

In the **automotive** segment, Sunningdale Tech designs and manufactures decorative plastic parts such as trim plates for automotive stereo systems, navigation system, air register and climate controls (also known as bezels), speedometers, steering switches and design covers. Its products are supplied to tier one system manufacturers for the automotive industry.

With rising demand for custom-made plastic injection parts and more sophisticated finishing, the Group continues to leverage on its production technologies such as two-shot injection moulding, In-mould Decorative and Nd-

YAG Laser Marking technologies. All of Sunningdale Tech's plants are TS16949-certified, a stringent qualification required for suppliers in the automotive industry - making the company a key plastic components supplier in this sector.

Tapping on the on-going outsourcing trends from the US, Europe and Japan, steadily increasing demand and long product life cycle, the automotive industry continues to offer strong growth opportunities for the Group.

In the Consumer/IT segment, Sunningdale Tech manufactures plastic parts for many consumer products, such as smart cards, consumer electronics & peripherals.

Working closely with technology partners, Sunningdale Tech employs advanced manufacturing technologies, e.g. RHCM, spin-form moulding, etc to offer the newest products to the industry. Sunningdale Tech also collaborates with a customer to provide fully automated turnkey assembly operations of inkjet cartridges.

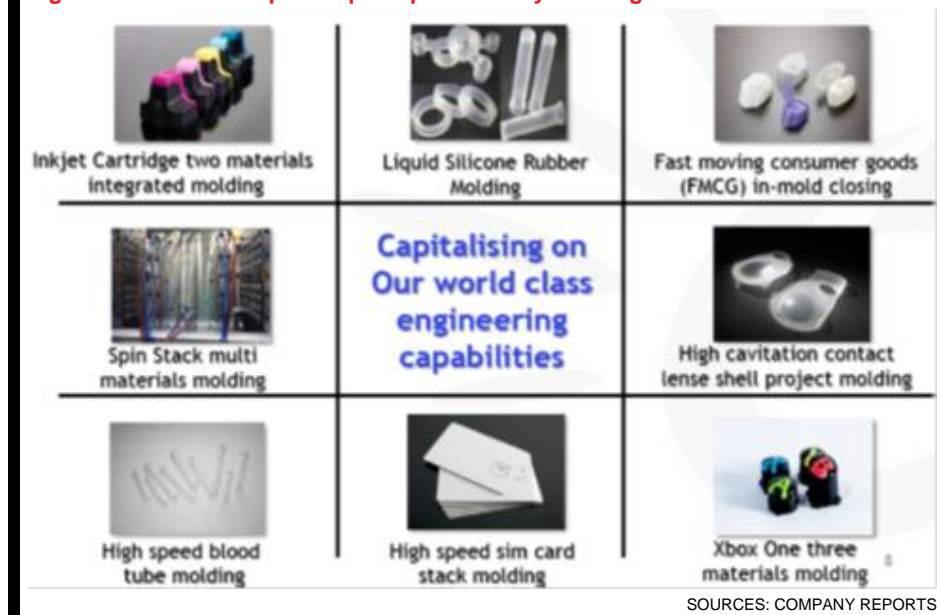
The group also offers sophisticated high-speed spray painting and UV lines, tempo printing facilities and advanced laser etching equipment that can handle high volume demand. Its ability to produce niche components for the mid to high end market, offering superior surface finishing and rapid tooling helps to reduce customers' time to market.

In the **healthcare** segment, Sunningdale Tech is able to offer customers a systematic programme management from concept validation until product end-of-life. The group has a fully-equipped metrology laboratory, coupled with experienced dedicated resources and is able to provide information traceability which is an important requirement for medical products. Sunningdale Tech has extensive knowledge and experience in manufacturing class 1, 2 and 3 medical device components.

Sunningdale Tech operates and governs its manufacturing facilities with full compliance to GMP 21 CFR-Part 820 and ISO quality systems and is dedicated to support the continuously evolving needs in healthcare and medical manufacturing. Its plants that support the healthcare industries are ISO13485 certified.

Components produced include catheters, tubes for dye injections for CT scan, and infant formula scoop, amongst others.

Figure 22: Some examples of parts produced by Sunningdale Tech



In **mould fabrication**, Sunningdale Tech has more than 200 designers and 10,000 sq m of mould manufacturing area in Singapore and China supporting no less than 3,500 moulds fabricated annually.

Its integrated CAD/CAM designers and highly experienced engineers are capable of transforming complex product designs to precision plastics using advanced computer aided design software. Through Mold Flow Analysis, FEA and 3D-Simulation, Sunningdale Tech's sophisticated mould designs are capable of producing plastic products that meet the requirements of the most stringent customers in the global arena. On-site concurrent consultancy provides even greater collaboration with clients and partners. The group employs the use of fully-automated robotic electrodes and work piece changes to ensure a high level of precision and accuracy. Automation enables its tool room to run 24 hours, seven days a week.

Capabilities ►

Tooling capabilities include:

- Full 3D UG & Pro-E design with CAD/CAM
- High precision moulds from 35 to 2800 tons
- Design and fabricate moulds with multi-cavitation
- Automated robotic electrodes / work piece changes
- 288 pallet magazines capacity
- High speed machining

Moulding Technology:

Sunningdale Tech has a wide range of moulding machineries from 35 to 2,800 tons clamping force. Sunningdale Tech provides solutions for complicated product designs, e.g. two-shot injection moulding, in-mould decorative moulding, etc. This provides customers more than one option of plastics fabrication, with better quality, reduction of cycle time, thus reducing overall cost.

Moulding capabilities include:

- Gas-Assist Moulding
- Rapid-Heat-Cool Moulding
- 2-Shot Moulding
- In-Mould-Decorative Moulding
- High Cavitation Injection Moulding
- Stack Moulding
- Thin Wall High Speed Moulding
- Insert Moulding

Value-added services:

Sunningdale Tech also offers complementary finishing including, but not limited to, spray painting, laser etching, tempo printing, and sub assembly. Its cutting edge technology in laser etching is used widely in automotive and telecommunications products.

Value-added processes include:

- Spray Painting
- High Precision Laser Etching
- Heatstaking
- Hot Stamping
- Laser Welding
- Ultrasonic Welding
- Silkscreen / Tempo Printing
- Electro-Mechanical Assembly

Production facilities ►

- Has 18 manufacturing plants in 9 countries around the world
- More than 1,000 injection moulding machines
- Tooling capacity of 3,500 moulds per annum
- Factory floor space of more than 3m square feet
- Certifications include TS16949 (for automotive industry), ISO13485 (for healthcare industry) and AS9100 (for aerospace industry)

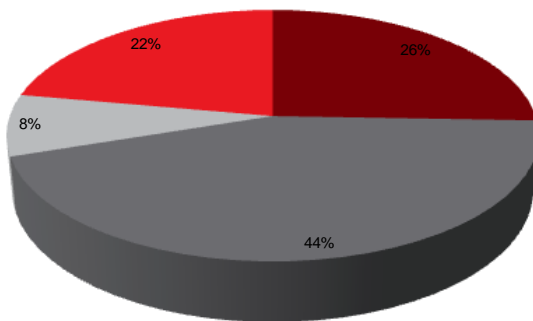
Figure 23: Global presence



Revenue breakdown ►

Post the consolidation of the First Engineering acquisition in FY14, the contribution from the automotive segment has increased by 11 percentage points to 36.4% in FY15.

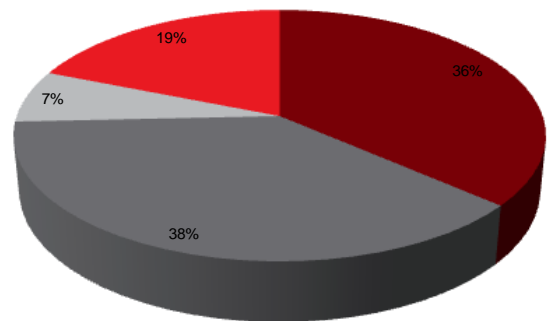
Figure 24: FY14 Revenue breakdown



■ Automotive ■ Consumer/IT ■ Healthcare ■ Mould fabrication

SOURCES: CIMB, COMPANY REPORTS

Figure 25: FY15 Revenue breakdown



■ Automotive ■ Consumer/IT ■ Healthcare ■ Mould fabrication

SOURCES: CIMB, COMPANY REPORTS

Key customers ►

As disclosed in its FY14 Annual Report (FY15 Annual Report is not out yet), nearly 20% of its FY14's sales were from two customers. The company does not share customer breakdown details but we understand that approximately 50% of revenue is contributed by 10 customers and 80% of the revenue comes from 30 customers. On average, each of these 30 customers is around 2-3% of revenue. We also understand that HP is a top 5 customer.

Based on our channel checks, some of its customers include Bosch, Continental, Magna and Visteon in the Automotive segment; Nestle, Ciba, Abbott, Roche in the Healthcare segment; and HP, Gemalto, Philips in the Consumer/IT segment.

One of the largest global players ►

Sunningdale Tech lays claim to being one of the largest precision plastic injection moulding companies in the world.

Figure 26: Amongst the top global players

Rank	Company	Sales (US\$'mil)
1	Magna International Inc.	2,015 ^E
2	IAC	1,959
3	Berry Plastics Corp.	1,575 ^E
4	SRG Global Inc.	1,050 ^E
5	AptarGroup Inc.	735 ^E
6	Newell Rubbermaid Inc.	730 ^E
7	Nypro Inc.	685 ^E
8	Bway Corp.	590 ^E
9	Lacks Enterprises Inc.	530 ^E
10	U.U. Farathane Corp.	500
11	Illinois Tool Works Inc.	495 ^E
12	Closure Systems International Inc	460 ^E

S\$674.5 mil at 1.4 is equivalent to US\$481.7 mil

(SOURCE - Plastics News <http://www.plasticsnews.com/rankings/injection-molders>)

^E Plastics News and industry estimates. These figures were not provided by the company.

SOURCES: COMPANY REPORTS

Board of Directors ►

Figure 27: Board of Directors



Mr Koh Boon Hwee

» Is the Executive Chairman of Sunningdale Tech Ltd.

He is Chairman (executive) of Credence Partners Pte Ltd.

He is also currently the Non-Executive Chairman of public-listed Yeo Hap Seng Limited, Far East Orchard Ltd and AAC Technologies Holdings Ltd. He is Chairman (non-executive) of FEO Hospitality Asset Management Pte Ltd and FEO Hospitality Trust Management Pte Ltd which manage listed Far East Hospitality Trust. Mr Koh serves as a director on the board of Agilent Technologies, Inc, Razer Inc, Bank Pictet & Cie (Asia) Ltd, and is also the Chairman of the Nanyang Technological University Board of Trustees and Chairman of Rippledot Capital Advisers Pte Ltd.

Mr Koh was previously Chairman of DBS Group Holdings Ltd and DBS Bank Ltd (2005-2010), Singapore Airlines Ltd (2001-2005), SIA Engineering Company Ltd (2003-2005), Singapore Telecommunications Ltd (1986-2001), Omni Industries Ltd (1996-2001), Executive Chairman of the Wuthelam Group of Companies (1991-2000) and, before that, Managing Director of Hewlett-Packard Singapore (1985-1990), where he started his career in 1977.

He holds a Bachelor of Science (Mechanical Engineering) First Class Honours Degree from Imperial College, University of London, and a Master of Business Administration (with Distinction) from Harvard Business School.



Mr Khoo Boo Hor

» Is the CEO of Sunningdale Tech Ltd. Prior to this appointment, he was the Group Operations Director and was responsible for the Group's manufacturing operations. Mr Khoo played a significant role in integrating the operations of Sunningdale Precision Industries Ltd and Tech Group Asia Ltd following the merger of the two companies in July 2005.

Mr Khoo was previously the Director of Operations for Hewlett-Packard ("HP") Singapore, where he was responsible for HP's Enterprise Storage and Server manufacturing operations. He worked in HP in various capacities for over 16 years.

Mr Khoo holds a Bachelor of Science and a Bachelor of Engineering (Honours) from Monash University, as well as a Master of Business Administration from the University of Louisville, Kentucky.

SOURCES: COMPANY REPORTS

Note that Mr. Koh Boon Hwee resigned as the Executive Chairman of the Company effective from 31 December 2015 but remains the Non-Executive Chairman. Mr. Koh was appointed Executive Chairman to ensure the smooth integration of First Engineering Limited into the Group. As the integration had been successfully completed, Mr. Koh has resumed his position of Non-Executive Chairman.

Figure 27: Board of Directors continued**Mr Wong Chi Hung**

» is the Non-Executive Director of Sunningdale Tech Ltd. He began his moulding and tooling career by establishing Chi Wo Plastic Moulds Pty. Ltd. in Hong Kong in 1983. In 1994, he set up Shenzhen Xinlanxing Mould (Shenzhen) Co., Ltd in Shenzhen, China to start tool making activities. Two years later, another factory was set up in Zhongshan, China, called Zhongshan Zhihe Electrical Equipment Co., Ltd.

Mr Wong has successfully made Chi Wo a premium one-stop moulding supplier for computer, electronics, automotive and consumer industries through his years of directorship. He retired as Managing Director of Chi Wo Plastic Moulds Pty. Ltd, a wholly-owned subsidiary of Sunningdale Tech Ltd on 30 June 2014.

**Mr Steven Uhlmann**

» is a Non-Executive Director of Sunningdale Tech Ltd.

Mr Uhlmann pursued a career in the plastics industry, starting the Tech Group in 1967, expanding to Asia in 1995 ultimately becoming Tech Group Asia, then merging with Sunningdale Precision Industries. He was named Arizona's 1998 Entrepreneur of the Year in the Manufacturing/High Tech category, and is also a former President of the Society of Plastics Engineers, Arizona Chapter.

In addition, Mr Uhlmann is the former Chairman of the Board of Governors for the National Plastics Centre Museum. He also serves on the boards of a number of nonprofit organizations committed to the strengthening of marriage and family relationships.

Mr Uhlmann studied product design at the Arizona State University.

**Mr Gabriel Teo**

» is an Independent Director of Sunningdale Tech Ltd. He is also an Independent Director of IFS Capital Limited, and sits on the Boards of several other corporates as well as non-profit organizations. He is the Managing Director of Gabriel Teo & Associates Pte. Ltd.

Mr Teo was previously Regional Managing Director of Bankers Trust, and Chief Executive Officer of The Chase Manhattan Bank. In his earlier career, he had also held various senior appointments at Citibank and Citicorp Investment Bank.

He holds a Bachelor of Business Administration degree from the University of Singapore and a Master of Business Administration from Cranfield School of Management. Mr. Teo also attended the Executive Program in International Management at Columbia University.

SOURCES: COMPANY REPORTS

Figure 27: Board of Directors continued**Mr Steven Tan**

» Is an Independent Director of Sunningdale Tech Ltd. He is currently the Chairman of Steven Tan Russell Bedford PAC, Steven Tan Management Consultants Pte Ltd and Samas Management Consultants Pte Ltd.

**Mr Kaka Singh**

» Is an Independent Director of Sunningdale Tech Ltd. He is also the Chairman of RSM Chio Lim LLP, Singapore Chartered Accountants.

He holds memberships in various professional bodies. Mr Singh was the past president of ACCA Singapore, CIMA Singapore and SAICSA. In 2010, Kaka was awarded the Inaugural ACCA Award in recognition of his tireless dedication and contribution to ACCA. In 1994 he was awarded the Silver Medal by ICPAS for his contributions to the community and the accounting profession in Singapore. He holds an MBA from the Cass Business School of the London City University.

Mr Tan is a CA (Singapore) – Public Accountant and is a fellow member of the Institute of Chartered Accountants in England and Wales, as well as the Hong Kong Society of Accountants. From 1969 to 1981, he was the President of the Singapore Society of Accountants, now known as the Institute of Singapore Chartered Accountants ("ISCA") for six terms, and from 1994 to April 2002, he was the Chairman of the Ethics Committees of the Institute of Certified Public Accountants of Singapore ("ICPAS") and The Public Accountants Board.

From 1994 to September 2001, he was an Independent Director and Chairman of the Audit Committee of Berger International Ltd.

Mr Tan was also a member of the Council of the Ngee Ann Polytechnic from 1980 to 1992, and Deputy Chairman from 1992 to March 2000. He was appointed as a member of the Liquor Licensing Board from 1971 to 1992 and as Vice-Chairman from 1992 to 2006.

He was a member of the National University of Singapore Advisory Committee on Acquisitions of the Lee Kong Chian museum from 1995 to 2003 and Chairman from 2003 to 2006.

Mr Tan received the Gold Medal awarded by ICPAS in 1987 and was conferred The Public Service Medal in 1988 and The Public Service Star in 1995 by the President of Singapore.

**Mr Ong Sim Ho**

» Is an Independent Director of Sunningdale Tech Ltd. He is a practising lawyer specializing in tax laws and is currently running his own law firm, Messrs Ong Sim Ho Advocates & Solicitors. He is the Non-Executive Chairman of Tokio Marine Life Insurance Singapore Ltd and a member of the Board of Bluefield Energy Pte Ltd, Emirates National Oil Company (Singapore) Pte Ltd, Eucon Holding Limited, Prairie Fire Pte Ltd and Tokio Marine Insurance Singapore Ltd. Mr Ong also serves as an Advisory Board Member of the School of Accountancy at the Singapore Management University. He is an Advocate and Solicitor of the Supreme Court of Singapore, a Barrister-at-Law of Lincoln's Inn, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

SOURCES: COMPANY REPORTS

Management team ►

Figure 28: Management team

Ms Soh Hul Ling

» Is the Chief Financial Officer of Sunningdale Tech Ltd. She is responsible for the Group's financial and management accountings, treasury and taxation. Prior to this appointment, she was the Group Financial Controller and she held the same post at the former Sunningdale Precision Industries Ltd.

Before joining Sunningdale Precision Industries Ltd, Ms Soh was the Finance and Administrative Manager of Dew Management Advancement Consultants Pte Ltd, in charge of the accounts and administration department.

She was also previously an Audit Supervisor at Paul Wan & Co, in charge of the audit and accounts department.

Ms Soh holds a Diploma in Business Studies from Ngee Ann Polytechnic in Singapore. She completed the Association of Chartered Certified Accountant Course in 1991 and is a Fellow member of the Association of Chartered Certified Accountants, UK, and a Fellow of the Institute of Singapore Chartered Accountants.

Mr Chan Whye Mun

» Is the General Manager for South Asia, responsible for all moulding operations in Singapore, Johor (Cemerlang & Senal), Batam and Chennai plants. Prior to joining Sunningdale Tech Ltd, he was the COO of UMS Holdings, a semiconductor precision machining and solutions company.

Mr Chan was previously a Senior Director of Product Engineering, Failure Analysis and Quality for Seagate Technology where he worked for 13 years. Before that, he was in Hewlett Packard Singapore as a Reliability Engineer for 3 years.

Mr Chan holds a Bachelor of Engineering (1st Class Hons) from University of Western Australia.

Mr Chan Tung Sing

» Is the Business Development Vice President primarily focusing on Automotive business segment. Mr Chan has previously served as the General Manager for Shanghai operations for 6 years and was fully responsible for the plant performance before changing into his current role in November 2011.

Prior to joining Sunningdale Tech Ltd, Mr Chan spent over 11 years with Hewlett Packard ("HP") in various management positions. His last role was the Materials Manager, Engineering & Supply Chain, of Enterprise Storage & Servers Group, Asia Pacific Region. He was responsible for formulating and implementing material engineering strategy, materials management for various HP Global Business Units and implementing Asia Pacific Supply Chain Programs. Mr Chan comes with vast management experience in Product, Test & Procurement engineering, Materials and Supply Chain.

Mr Chan holds a Bachelor degree of Electrical Engineering from the National University of Singapore.

Mr Simon Tan

» Is the General Manager, Senior VP responsible for business development and operations of Omni Mold Ltd, the flagship precision tooling subsidiary of Sunningdale Tech Ltd along with three other mould fabrication operations of the group. He has been with the group since 1998, first joined as Project Manager and was appointed General Manager for Tech Group Singapore in 2001. He was responsible for business development initiatives and oversaw the operations and performance of three moulding plants during this period.

Mr Tan began his career as an apprentice in 1980. He worked through the rank and file of being a mould maker, tool room supervisor and tool room manager in 1995, managing both precision mould design and manufacturing operations. His main focus has always been in operational effectiveness and improvements in efficiency through utilizing advanced manufacturing technologies and innovations, as well as in business developments efforts.

Mr Tan holds a Bachelor of Science Degree (Hons) in Business and Management Studies from University of Bradford (UK). Advanced Diploma in Business Administration, Diploma in Business Efficiency & Productivity, and National Certificate in Supervision from National Productivity Board Institution.

SOURCES: COMPANY REPORTS

Figure 28: Management team continued**Mr Cheong Wai Luen**

» is the Information Technology Director that holds overall responsibility for the information system/technology strategy and execution for all the companies under the group.

Prior to joining Sunningdale Tech Ltd, Mr Cheong started his career in Hewlett Packard as IT specialist working on optimizing supply chain and production planning. He had since held various management position in Sony Electronics Asia Pacific, Agilent Technologies and Hewlett Packard focusing on implementing regional and world-wide based Information system. He comes with strong application domain expertise in manufacturing, supply chain planning, logistics and customer relationship management.

Mr Cheong holds a Bachelor degree in Computer Engineering from Nanyang Technological University. He is also a Project Management Professional from PMI and holds a certificate in Production and Inventory Management from APICS.

Ms Cindy Bin

» is the Human Resource Director of Sunningdale Tech Ltd and is responsible for providing leadership in developing and executing human resources strategies and policies in support of the business plans and strategic directions of the Group.

Prior to her current position, Ms Bin joined Sunningdale Precision Industries Ltd as Corporate Human Resource Manager in April 2003.

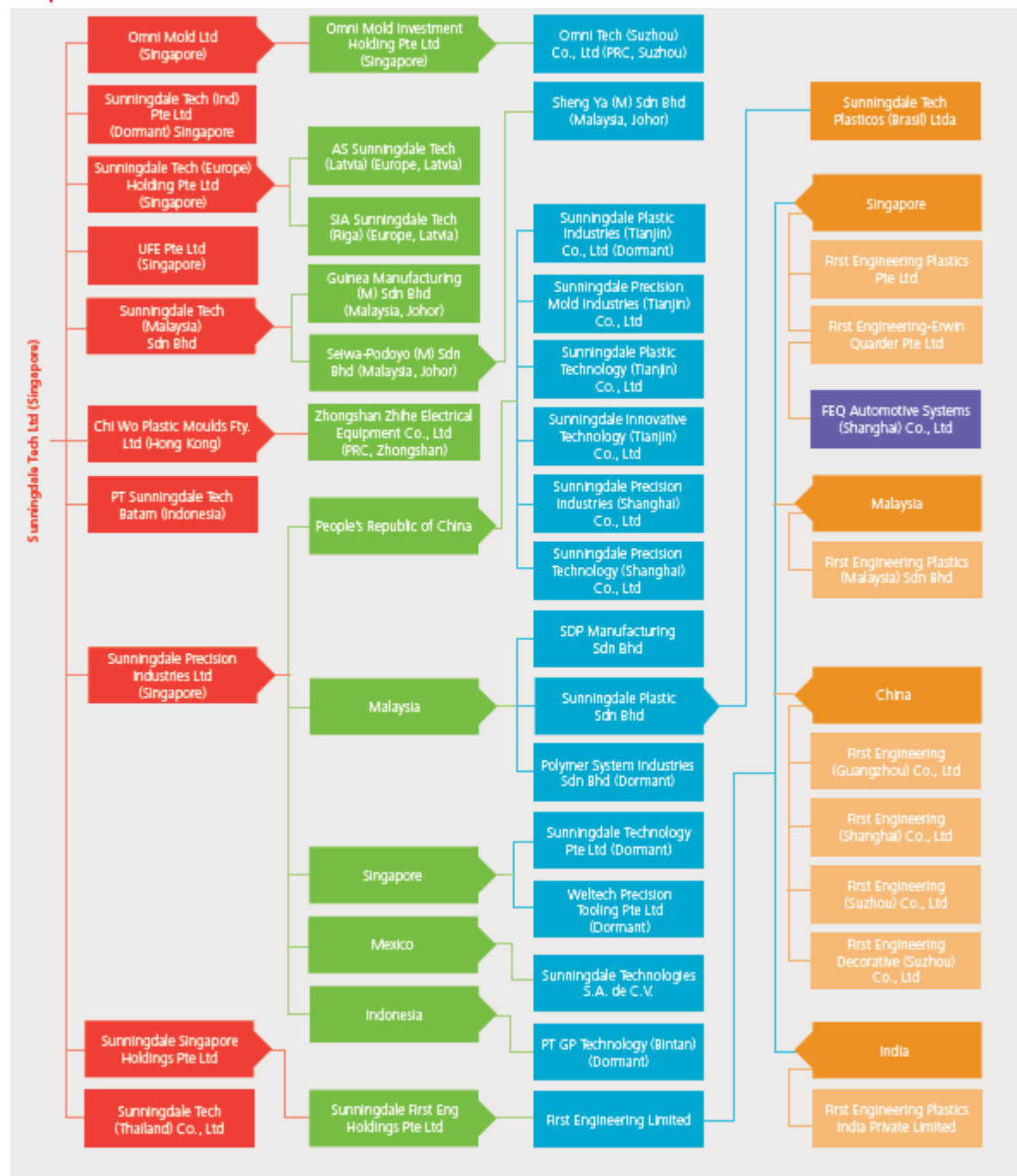
Before joining Sunningdale Precision Industries Ltd, she was the Human Resource Manager of De La Rue Currency and Security Print Pte Ltd, a subsidiary of UK-based currency printer and was responsible for the full spectrum of the human resource functions. She was also instrumental in developing and implementing the company's Quality Management System.

Ms Bin graduated from the University of Singapore with a Bachelor of Science degree, majoring in Chemistry. She also holds a Post Graduate Diploma in Personnel Management from the Singapore Institute of Management.

SOURCES: COMPANY REPORTS

Corporate structure ►

Figure 29: Corporate structure



SOURCES: COMPANY REPORTS

First Engineering acquisition ►

Sunningdale Tech Ltd completed the acquisition of a 100% stake in First Engineering Ltd for an enterprise value of US\$80m in Nov 2014. The purchase consideration was fully payable in cash and Sunningdale Tech funded it via existing cash and new borrowings.

The rationale for the acquisition was:

- to create one of the largest precision plastics engineering companies in the world;
- to enhance synergistic benefits with the complementary business;
- to strengthen the Group's existing footprint and provide immediate access to the Indian market; and
- for greater economies of scale.

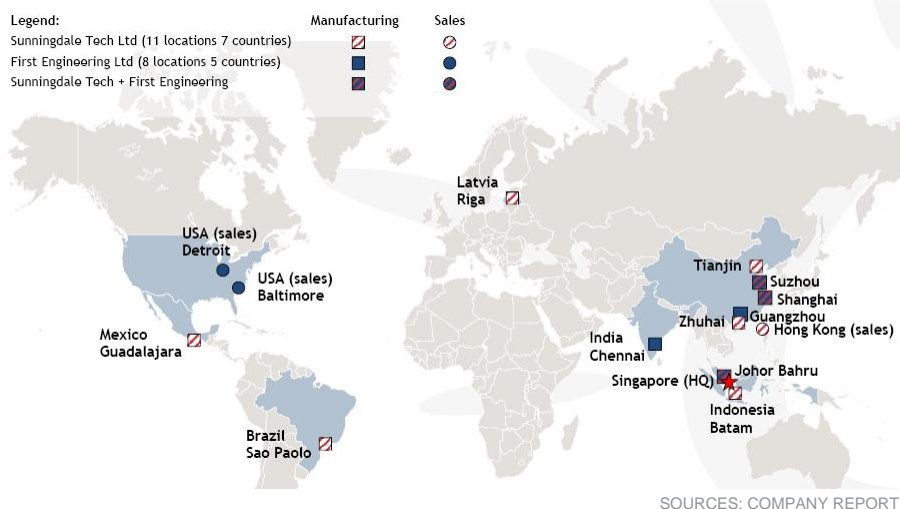
Figure 30: Overview of First Engineering's component capabilities

First Engineering Ltd	Components
Automotive	<ul style="list-style-type: none"> Clutch components Door lock mechanisms Sunroof systems Air vents Windshield wiper gears Rear view mirror systems Steering column components Lighting systems
Consumer/IT	<ul style="list-style-type: none"> High precision gears for print mechanism Business machine platens Base carriages Printer trays Printer cartridges HDD components Xbox One controller buttons Optical mouse lenses Antenna housing
Healthcare (Medical Device)	<ul style="list-style-type: none"> Drug delivery systems Glucose meters Blood lancets Kidney dialysis systems DIIA reagent tray IV infusion catheter Components CPAP (sleep apnea) masks

First Engineering is highly complementary to Sunningdale, with minimal overlap at the component level

SOURCES: COMPANY REPORTS

Figure 31: Diversified footprint



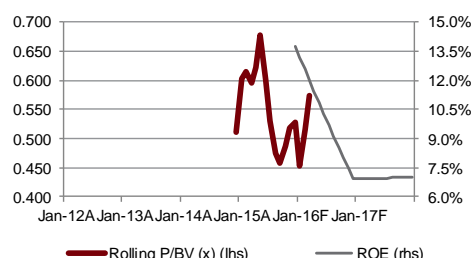
SOURCES: COMPANY REPORTS

BY THE NUMBERS

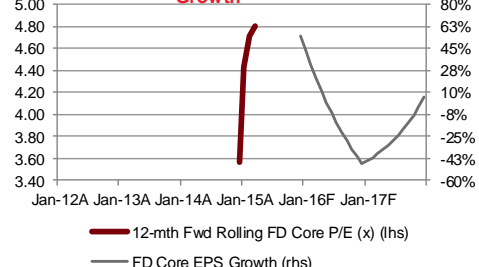
Share price info

Share px perf. (%)	1M	3M	12M
Relative	12.5	15.5	21.7
Absolute	21.2	14.4	5.1
Major shareholders		% held	
Koh Boon Hwee		8.2	
Goi Seng Hui		8.2	
Uhlmann Steven Kent		7.3	

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(\$m)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Total Net Revenues	475.6	674.5	713.5	755.1	799.3
Gross Profit	84.5	124.7	133.5	142.5	151.1
Operating EBITDA	37.5	61.8	68.3	73.7	78.5
Depreciation And Amortisation	(24.5)	(33.8)	(37.2)	(40.5)	(43.1)
Operating EBIT	13.0	28.0	31.1	33.2	35.3
Financial Income/(Expense)	(1.3)	(3.4)	(3.6)	(3.6)	(3.6)
Pretax Income/(Loss) from Assoc.	0.1	0.9	0.1	0.1	0.1
Non-Operating Income/(Expense)	16.4	17.3	0.0	0.0	0.0
Profit Before Tax (pre-EI)	28.7	44.5	29.3	31.4	33.5
Exceptional Items	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	28.2	42.8	27.6	29.7	31.8
Taxation	(0.6)	(0.7)	(5.5)	(5.9)	(6.4)
Exceptional Income - post-tax	0.0	0.0	0.0	0.0	0.0
Profit After Tax	27.7	42.1	22.1	23.7	25.5
Minority Interests	0.0	0.0	0.0	0.0	0.0
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
FX Gain/(Loss) - post tax	0.0	0.0	0.0	0.0	0.0
Other Adjustments - post-tax	0.0	0.0	0.0	0.0	0.0
Net Profit	27.7	42.1	22.1	23.7	25.5
Recurring Net Profit	28.1	43.7	23.5	25.1	26.8
Fully Diluted Recurring Net Profit	28.1	43.7	23.5	25.1	26.8

Cash Flow

(\$m)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
EBITDA	37.5	61.8	68.3	73.7	78.5
Cash Flow from Inv. & Assoc.	0.0	0.0	0.0	0.0	0.0
Change In Working Capital	(8.2)	(3.1)	69.8	2.9	2.8
(Incr)/Decr in Total Provisions	0.0	0.0	0.0	0.0	0.0
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	7.9	14.4	4.3	(0.3)	0.7
Net Interest (Paid)/Received	(1.3)	(3.4)	(3.6)	(3.6)	(3.6)
Tax Paid	(5.9)	(2.5)	(6.0)	(5.9)	(6.4)
Cashflow From Operations	30.0	67.2	132.8	66.8	72.0
Capex	(13.7)	(24.0)	(33.5)	(33.5)	(26.0)
Disposals Of FAs/subsidiaries	9.2	1.1	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(63.7)	(1.2)	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	0.0	0.0
Cash Flow From Investing	(68.2)	(24.1)	(33.5)	(33.5)	(26.0)
Debt Raised/(repaid)	37.9	(18.3)	17.0	0.0	0.0
Proceeds From Issue Of Shares	24.9	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(5.4)	(7.4)	(9.3)	(4.4)	(4.7)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	0.1	0.6	0.0	0.0	0.0
Cash Flow From Financing	57.5	(25.1)	7.7	(4.4)	(4.7)
Total Cash Generated	19.4	17.9	107.0	28.9	41.3
Free Cashflow To Equity	(0.3)	24.7	116.3	33.3	46.0
Free Cashflow To Firm	(36.5)	47.1	103.3	37.3	50.0

BY THE NUMBERS

Balance Sheet

(S\$m)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Total Cash And Equivalents	104.8	121.1	228.1	257.0	298.2
Total Debtors	156.7	168.1	46.0	43.5	41.1
Inventories	109.2	106.2	53.2	50.3	47.5
Total Other Current Assets	5.0	4.4	5.0	5.0	5.0
Total Current Assets	375.8	399.7	332.4	355.8	391.9
Fixed Assets	193.6	186.9	184.9	179.5	164.1
Total Investments	5.2	5.5	5.6	5.7	5.8
Intangible Assets	18.5	18.9	17.2	15.5	12.7
Total Other Non-Current Assets	3.4	1.9	3.5	3.5	3.5
Total Non-current Assets	220.8	213.2	211.2	204.2	186.1
Short-term Debt	91.6	74.0	91.6	91.6	91.6
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0
Total Creditors	141.4	150.5	46.0	43.5	41.1
Other Current Liabilities	4.9	2.3	4.9	4.9	4.9
Total Current Liabilities	237.9	226.8	142.5	140.0	137.6
Total Long-term Debt	45.4	46.0	45.4	45.4	45.4
Hybrid Debt - Debt Component	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	45.4	46.0	45.4	45.4	45.4
Total Provisions	7.9	9.6	7.9	7.9	7.9
Total Liabilities	291.2	282.3	195.9	193.3	190.9
Shareholders' Equity	305.3	330.6	347.7	366.6	387.0
Minority Interests	0.0	0.0	0.0	0.0	0.0
Total Equity	305.3	330.6	347.7	366.6	387.0

Key Ratios

	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue Growth	N/A	41.8%	5.8%	5.8%	5.9%
Operating EBITDA Growth	N/A	64.9%	10.5%	7.9%	6.5%
Operating EBITDA Margin	7.88%	9.16%	9.58%	9.76%	9.82%
Net Cash Per Share (S\$)	(0.17)	0.01	0.49	0.64	0.86
BVPS (S\$)	1.65	1.77	1.86	1.96	2.07
Gross Interest Cover	8.14	7.39	8.21	8.71	9.26
Effective Tax Rate	2.0%	1.7%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	26.4%	21.3%	18.6%	18.7%	18.7%
Accounts Receivables Days	N/A	87.88	54.91	21.64	19.32
Inventory Days	N/A	71.50	50.31	30.84	27.54
Accounts Payables Days	N/A	96.90	62.01	26.68	23.82
ROIC (%)	N/A	8.7%	9.8%	13.5%	14.9%
ROCE (%)	N/A	6.66%	6.97%	7.02%	7.18%
Return On Average Assets	N/A	7.79%	4.74%	5.26%	5.41%

Key Drivers

	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
ASP Change (% , Main Product)	15.2%	80.2%	8.0%	8.0%	8.0%
Unit sales growth (% , main prod)	N/A	N/A	N/A	N/A	N/A
No. Of Lines (main Product)	N/A	N/A	N/A	N/A	N/A
Rev per line (US\$, main prod)	N/A	N/A	N/A	N/A	N/A
ASP chg (% , 2ndary prod)	-6.3%	27.5%	5.0%	5.0%	5.0%
Unit sales grth (% , 2ndary prod)	N/A	N/A	N/A	N/A	N/A
No. Of Lines (secondary Product)	N/A	N/A	N/A	N/A	N/A
Rev per line (US\$, 2ndary prod)	N/A	N/A	N/A	N/A	N/A

SOURCE: CIMB RESEARCH, COMPANY DATA

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Sunningdale Tech Ltd (SUNN SP)

— Price Close



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2015, Anti-Corruption Progress Indicator 2015.

AAV – Very Good, 3B, ADVANC – Excellent, 3A, AEONTS – Good, 1, AMATA – Very Good, 2, ANAN – Very Good, 3A, AOT – Very Good, 2, AP – Good, 3A, ASK – Very Good, 3B, ASP – Very Good, 4, BANPU – Very Good, 4, BAY – Very Good, 4, BBL – Very Good, 4, BCH – not available, no progress, BCP – Excellent, 5, BDMS – Very Good, 3B, BEAUTY – Good, 2, BEC – Good, 3B, BECL – Very Good, 3B, BH – Good, 2, BIGC – Excellent, 3A, BJC – Good, 1, BLA – Very Good, 4, BMCL – Very Good, 1, BTS – Excellent, 3A, CBG – Good, 1, CCET – not available, 1, CENTEL – Very Good, 3A, CHG – Good, 3B, CK – Excellent, 3B, COL – Very Good, 3A, CPALL – Good, 3A, CPF – Very Good, 3A, CPN – Excellent, 5, DELTA – Very Good, 3A, DEMCO – Very Good, 3A, DTAC – Excellent, 3A, EA – not available, 3A, ECL – Good, 4, EGCO – Excellent, 4, EPG – not available, 3B, GFPT – Very Good, 3A, GLOBAL – Very Good, 2, GLOW – Good, 3A, GRAMMY – Excellent, 3B, GUNKUL – Very Good, 1, HANA – Excellent, 4, HEMRAJ – Very Good, 2, HMPRO – Excellent, 3A, ICHI – Very Good, 3A, INTUCH – Excellent, 4, ITD – Good, 1, IVL – Excellent, 4, JAS – not available, 3A, JASIF – not available, no progress, JUBILE – Good, 3A, KAMART – not available, no progress, KBANK – Excellent, 4, KCE – Excellent, 4, KGI – Good, 4, KKP – Excellent, 4, KSL – Very Good, 2, KTB – Excellent, 4, KTC – Very Good, 3A, LH – Very Good, 3B, LPN – Excellent, 3A, M – Good, 2, MAJOR – Good, 1, MAKRO – Good, 3A, MBKET – Good, 2, MC – Very Good, 3A, MCOT – Excellent, 3A, MEGA – Very Good, 2, MINT – Excellent, 3A, MTLs – Good, 2, NYT – Good, no progress, OISHI – Very Good, 3B, PLANB – Good, 3B, PS – Excellent, 3A, PSL – Excellent, 4, PTT – Excellent, 5, PTTEP – Excellent, 4, PTTGC – Excellent, 5, QH – Very Good, 2, RATCH – Excellent, 3A, ROBINS – Excellent, 3A, RS – Very Good, 1, SMART – Excellent, 3B, SAPPE – Good, 3B, SAT – Excellent, 5, SAWAD – Good, 1, SC – Excellent, 3B, SCB – Excellent, 4, SCBLIF – not available, no progress, SCC – Excellent, 5, SCCC – Good, 3A, SIM – Excellent, 3B, SIRI – Good, 1, SPALI – Excellent, 3A, STA – Very Good, 1, STEC – Very Good, 3B, SVI – Very Good, 3A, TASCO – Very Good, 3A, TCAP – Very Good, 4, THAI – Very Good, 3A, THANI – Very Good, 5, THCOM – Excellent, 4, THRE – Very Good, 3A, THREL – Very Good, 3A, TICON – Very Good, 3A, TISCO – Excellent, 4, TK – Very Good, 3B, TMB – Excellent, 4, TPCB – Good, 3B, TOP – Excellent, 5, TRUE – Very Good, 2, TTW – Very Good, 2, TU – Very Good, 3A, VGI – Excellent, 3A, WORK – not available, no progress.

Comprises level 1 to 5 as follows:

Level 1: Committed

Level 2: Declared

Level 3: Established (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)

Level 4: Certified

Level 5: Extended.

CIMB Recommendation Framework
Stock Ratings

Definition:

Add The stock's total return is expected to exceed 10% over the next 12 months.

Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.

Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.

Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.

Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.

Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.

Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

**Prior to December 2013 CIMB recommendation framework for stocks listed on the Singapore Stock Exchange, Bursa Malaysia, Stock Exchange of Thailand, Jakarta Stock Exchange, Australian Securities Exchange, Taiwan Stock Exchange and National Stock Exchange of India/Bombay Stock Exchange were based on a stock's total return relative to the relevant benchmarks total return. Outperform: expected to exceed by 5% or more over the next 12 months. Neutral: expected to be within +/-5% over the next 12 months. Underperform: expected to be below by 5% or more over the next 12 months. Trading Buy: expected to exceed by 3% or more over the next 3 months. Trading Sell: expected to be below by 3% or more over the next 3 months. For stocks listed on Korea Exchange, Hong Kong Stock Exchange and China listings on the Singapore Stock Exchange. Outperform: Expected positive total returns of 10% or more over the next 12 months. Neutral: Expected total returns of between -10% and +10% over the next 12 months. Underperform: Expected negative total returns of 10% or more over the next 12 months. Trading Buy: Expected positive total returns of 10% or more over the next 3 months. Trading Sell: Expected negative total returns of 10% or more over the next 3 months.*