Sunningdale Tech Ltd
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Sunningdale posts 32.5% jump in net profit to S$7.0 million excluding FX gains and restructuring charges

- Revenue remained stable at S$166.6 million, bolstered by increase in orders from existing and new projects in Automotive and Healthcare segments
- Successful completion of Southern China restructuring exercise resulted in improvement to capacity utilisation level while enhancing operational efficiencies
- Robust core businesses generated 12.7% yoy increase in EBITDA to S$16.7 million as EBITDA margin correspondingly improved to 10.0% (2QFY2015: 8.9%)

SINGAPORE – 2 August 2016 – 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 second quarter ended 30 June 2016 ("2QFY2016").

Financial Highlights

(S$'000)	2QFY2016	2QFY2015	Change
Revenue	166,610	165,366	0.8%
Gross Profit	22,941	21,275	7.8%
Gross Profit Margin (%)	13.8	12.9	0.9 pts
Net profit	3,809	6,001	(36.5)%
Net Profit Margin (%)	2.3	3.6	(1.3) pts
Net Profit (Excluding restructuring costs & foreign exchange loss)	6,970	5,259	32.5%
EBITDA*	16,659	14,781	12.7%
Earnings per Share- Basic (Sing cents)	2.04	3.24	(37.0)%
Net Asset Value per Share (Sing $)	1.69	1.69#	n.m.

**EBITDA=Gross profit - G&A + depreciation and one-off SG&A expenses excluding JV profit/loss.*
#Adjusted for 5:1 share consolidation.

Despite a challenging economic environment, the Group's revenue remained stable at S$166.6 million for 2QFY2016. On a segmental basis, the Automotive segment led revenue growth with a 15.9% yoy increase to S$60.7 million while the Healthcare segment also grew 4.6% yoy to S$12.9 million. The growth in both segments was driven by an increase in orders from existing and new projects. Conversely, revenue for the Consumer/IT segment was steady at S$63.8 million while the cyclical Mould Fabrication business declined 19.0% yoy to S$29.2 million due to lower orders billed and recognised.

Correspondingly, the Group's gross profit increased 7.8% yoy to S$22.9 million for 2QFY2016 while gross profit margin expanded to 13.8% (2QFY2015: 12.9%).

With the adoption of an incremental approach to streamlining costs and improving capacity utilisation in the Group's operations in Southern China, a restructuring exercise was conducted towards the end of March 2016. This restructuring exercise in Zhongshan led to a one-off restructuring cost amounting to S$4.6 million and has since concluded.

In addition, the Group recorded foreign exchange gains of S$1.5 million for 2QFY2016 (2QFY2015: S$0.7 million). Excluding the impact arising from the foreign exchange gains and one-off restructuring costs, the Group's net profit would have increased by 32.5% yoy to S$7.0 million.

Supported by the Group's robust business segments, the Earnings Before Interest, Taxes and Depreciation ("EBITDA") rose 12.7% yoy to S$16.7 million. With the Group's commitment to streamline costs, EBITDA margin improved 1.1 percentage points to 10.0% for 2QFY2016.

Through effective working capital management, the Group continued to generate positive operating cash flows of S$3.0 million during the quarter while maintaining a cash balance of S$106.0 million as at 30 June 2016. A conscious effort was made to reduce the level of debt and bolster balance sheet strength as total loans and borrowings decreased to S$111.8 million as at 30 June 2016 (31 December 2015: S$120.0 million).

As at 30 June 2016, the Group's net asset value per ordinary share remained stable at S$1.69.

"In line with the long-term strategy of building a sustainable and profitable business model, we are pleased to have completed a restructuring exercise at our manufacturing plant in Southern China. This initiative will lead to an improvement of the plant's capacity utilisation level, thereby increasing our operational efficiencies. We have since witnessed an improvement to our gross profit and EBITDA margins.

While we stay focused on charting steady growth for the Group, we are mindful of business headwinds such as rising labour costs, volatile currency markets and a subdued economic environment. Nevertheless, the management team remains committed to driving operational efficiency and boosting our productivity as we look to expand our product offering and diversify our customer base."

Mr. Khoo Boo Hor, CEO & Executive Director

- The End -

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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 (Tianjin, Shanghai, Suzhou 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 3rd party logistic partners.

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

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

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