Sunningdale Tech Ltd
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Co Reg No. 199508621R

Sunningdale posts S$172.5 million revenue for 3QFY2016 driven by growth in the automotive segment

- Net profit rises 48.7% to S$7.9 million, excluding foreign exchange gains and the reversal of/allowance for impairment losses on property, plant and equipment
- EBITDA rises 10.5% yoy to S$18.3 million as core business operations remain resilient, supported by a diversified customer base and sustainable business model
- Continues to generate strong positive operating cash flow of S$25.1 million, bolstering balance sheet strength as the Group returns to a net cash position of S$4.9 million

SINGAPORE – 27 October 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 third quarter ended 30 September 2016 ("3QFY2016").

Financial Highlights

(S$'000)	3QFY2016	3QFY2015	Change
Revenue	172,478	176,527	(2.3)%
Gross Profit	24,440	25,280	(3.3)%
Gross Profit Margin (%)	14.2	14.3	(0.1) pts
Net profit	10,184	15,881	(35.9)%
Net Profit Margin (%)	5.9	9.0	(3.1) pts
Net Profit (Excluding FX gains & reversal of/allowance for impairment loss on PPE)	7,898	5,310	48.7%
EBITDA*	18,344	16,598	10.5%
Earnings per Share- Basic (Sing cents)	5.45	8.56	(36.3)%
Net Asset Value per Share (Sing $)	1.74	1.75	(0.6)%

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

In spite of difficult economic conditions, revenue in the Group's automotive segment rose 7.0% year-on-year ("yoy") to S$61.7 million for 3QFY2016 while revenue from the Consumer/IT segment remained stable at S$72.8 million. This was offset by the declines in revenue for both Healthcare and Mould Fabrication segments, to S$11.3 million and S$26.6 million respectively. Overall, the Group's total revenue remained stable at S$172.5 million.

In line with the decline in revenue, the Group's gross profit decreased 3.3% yoy to S$24.4 million while gross profit margin declined by 0.1 percentage points to 14.2% for 3QFY2016.

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Barring the challenging economic environment, the Group managed to grow its Earnings Before Interest, Taxes and Depreciation ("EBITDA") by 10.5% yoy to S$18.3 million. Correspondingly, the Group's EBITDA margin improved from 9.4% for 3QFY2015 to 10.6% for 3QFY2016.

Over the quarter, the Group recorded a foreign exchange gain of S$2.3 million compared to an S$11.0 million gain in the preceding year. In addition, other expenses decreased mainly due to an impairment allowance of S$0.5 million on plant, property and equipment for 3QFY2015. Excluding the impact arising from both the foreign exchange gains and the reversal of/allowance for impairment losses, net profit rose 48.7% yoy to S$7.9 million for 3QFY2016.

The Group continued to generate strong positive operating cash flows of S$25.1 million. Cash and cash equivalents amounted to S$110.4 million. This bolstered the Group's balance sheet strength as it returned to a net cash position of S$4.9 million after accounting for loans and borrowings of S$105.5 million.

"Amidst an environment of subdued economic growth, we continue to face rising costs and pricing pressure from customers. We are however supported by a diversified blue-chip customer base and continue to expand upon our wide product offering. Following the restructuring exercise we conducted in the previous quarter, we remain focused on driving operational efficiency and adopting a leaner business model in order to improve the utilisation rates of our manufacturing plants. This has allowed us to maintain our gross profit margin of 14.2% while improving our EBITDA margin to 10.6%.

Similarly, we are committed to enhancing our competitive edge as we reinvest in our best in class precision engineering capabilities. This allows us to build upon our expertise while servicing customers on a global scale. We remain cautiously optimistic as we are encouraged by the incoming business enquiries from new and existing customers who are drawn to our global manufacturing footprint's ability to handle large-scale projects in different geographic regions.

In difficult economic conditions, change is the only constant as we adapt and remain vigilant to business headwinds such as rising labour costs and volatility in foreign exchange markets. Despite a challenging business environment, our long-term vision of building a sustainable and profitable business model remains on track."

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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