

Sunningdale more than doubles net profit YoY to S\$7.7 million for 1QFY2017

- Revenue rises 6.5% yoy to S\$171.8 million driven by growth across the Group's Automotive, Consumer/IT and Healthcare segments
- Gross profit rose 18.2% yoy to S\$25.9 million while gross profit margin expands to 15.0% driven by the Group's commitment to operational efficiency
- Continued positive cash flow generation contributes to a resilient balance sheet with net cash position of S\$12.8 million

SINGAPORE – 12 May 2017 – 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 first quarter ended 31 March 2017 (“1QFY2017”).

Financial Highlights

(\$'000)	1QFY2017	1QFY2016	Change
Revenue	171,781	161,250	6.5%
Gross Profit	25,851	21,870	18.2%
Gross Profit Margin (%)	15.0	13.6	1.4 pts
Net profit	7,698	3,577	n.m.
Net Profit Margin (%)	4.5%	2.2%	2.3 pts
Net Profit (Excluding retrenchment costs, gains on PPE, foreign exchange loss)	9,547	6,755	41.3%
EBITDA*	19,049	16,194	17.6%
Earnings per Share - Basic (Sing cents)	4.09	1.92	n.m.
Net Asset Value per Share (Sing \$)	1.86	1.77	5.1%

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

Amidst sanguine business conditions, the Group reported a 6.5% year-on-year (“yoy”) increase in revenue to S\$171.8 million for 1QFY2017. The growth in the Group's revenue was driven by the Group's largest business segment in Automotive, which increased 14.7% yoy to S\$67.3 million. Similarly, the Group's Consumer/IT division reported a 10.7% yoy increase in revenue to S\$65.9 million. Fueling further growth, the Group's Healthcare segment also climbed 15.9% yoy to S\$13.7 million. Conversely, the Group's Mould Fabrication segment declined 20.3% yoy to S\$24.9 million due to a decrease in orders billed and recognised to profit and loss during the period.

In line with the Group's commitment to operational efficiency and lean business model, gross profit surged 18.2% yoy to S\$25.9 million. Correspondingly, the Group's gross profit margin expanded 1.4 percentage points from 13.6% for 1QFY2016 to 15.0% for 1QFY2017.

Backed by productivity enhancements and streamlined operations, the Group's Earnings Before Interest, Taxes and Depreciation ("EBITDA") increased 17.6% yoy to S\$19.0 million. Correspondingly, the Group's EBITDA margin improved to 11.1% for 1QFY2017.

During the quarter, the Group recorded a S\$0.4 million gain on the disposal of plant, property and equipment ("PPE") as compared to a S\$0.06 million gain for 1QFY2016. In addition, foreign exchange losses amounted S\$2.1 million as compared to S\$3.2 million a year ago. The Group also incurred S\$0.1 million retrenchment costs during the quarter. Factoring out the effects of foreign exchange losses, gains on the disposal of PPE, and one-off retrenchment costs, the Group's net profit increased 41.3% yoy to S\$9.5 million.

The Group's robust core business operations continued to generate strong positive operating cash flows amounting to S\$6.8 million for 1QFY2017. This contributed to balance sheet strength as the Group maintained a cash and cash equivalents balance of S\$112.6 million as at 31 March 2017. Accordingly, the Group's net cash position stood at S\$12.7 million (31 Dec 2016: S\$15.5 million) after accounting for loans and borrowings amounting to S\$99.9 million.

The Group's net asset value per ordinary share remained stable at S\$1.86 as at 31 March 2017.

"In the face of rising labour costs and foreign exchange volatility, our proactive approach to streamlining operations has led to the expansion of our gross profit and EBITDA margins. Heading into the remainder of the year, we remain committed to operational efficiency and continue to make improvements in boosting our productivity.

Our overarching goal is to create a sustainable and profitable business model. In this light, it is imperative to continue investing in the future to stay at the forefront of technology and sharpen our competitive edge by developing new engineering capabilities. The construction of our new plant in Penang, Malaysia is ongoing and will incorporate state-of-the art machinery for us to better serve our customers. Over the course of the year, we will also progressively add capacity to our new manufacturing facility in Chuzhou as we optimise resources in the region.

Looking ahead, our diversified customer base and wide product offering bodes well for the Group as we navigate through business headwinds. Furthermore, our global presence across 19 manufacturing locations gives us a competitive edge with our ability to handle projects on a global scale."

Mr. Khoo Boo Hor, CEO & Executive Director

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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, Guangzhou, Zhongshan and Chuzhou), 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 Pte. Ltd.

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