

Sunningdale reports S\$7.5 million net profit for 3Q2018

- Revenue rises 1.9% yoy to S\$191.8 million driven by growth across the Automotive, Consumer/IT and Healthcare segments
- Gross profit margin declines 2.0 percentage points to 12.3% due to rising labour, utility and materials costs as well as pricing pressure from customers
- Leveraging on its global presence in nine different countries, the Group's outlook within each segment remains stable as business development efforts continue to gain traction

SINGAPORE – 9 November 2018 – 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 third quarter (“3Q2018”) ended 30 September 2018.

Financial Highlights

(S\$'000)	3Q2018	3Q2017	Change
Revenue	191,760	188,146	1.9%
Gross Profit	23,506	26,948	(12.8)%
Gross Profit Margin (%)	12.3%	14.3%	(2.0) pts
Net profit	7,523	7,716	(2.5)%
Net Profit Margin (%)	3.9%	4.1%	(0.2) pts
Core Net Profit (Excluding FX gains/losses and retrenchment costs)	5,273	10,903	(51.6)%
EBITDA*	15,752	20,599	(22.2)%
Earnings per Share - Basic (Sing cents)	3.98	4.10	(2.9)%
Net Asset Value per Share (Sing \$)	1.97	1.89	4.2%

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

Despite negative trade war sentiment, the Group reported a 1.9% year-on-year (“yoy”) increase in revenue to S\$191.8 million for 3Q2018. While growth was registered across the Group's Automotive, Consumer/IT and Healthcare segments, overall topline performance was weighed down by a decline in the Mould Fabrication segment which was impacted by lesser orders recognised to profit and loss during the quarter.

Revenue from the Automotive segment increased 4.5% yoy to S\$66.1 million while the Consumer/IT segment increased 2.4% yoy to S\$78.7 million. Contributing to additional topline growth was the Healthcare segment which grew 21.0% yoy to S\$14.6 million. Conversely, revenue from the Group's Mould Fabrication segment declined 9.9% yoy to S\$32.4 million.

During the quarter, the Group reported a 12.8% yoy decline in gross profit to S\$23.5 million. Correspondingly, gross profit margin declined 2.0 percentage points to 12.3%. This was attributed to rising labour and utility costs as well as pricing pressure from customers.

(S\$'000)	3Q2018	3Q2017	Change (%)
Profit for the period	7,523	7,716	(2.5)
Adjustments:			
Foreign exchange (gain)/loss	(2,250)	3,101	n.m.
Retrenchment costs	-	86	n.m.
Core net profit	5,273	10,903	(51.6)

In a quarter that was characterised by increasing trade war tensions, the Group's net profit declined marginally, 2.5% yoy to S\$7.5 million. However, the Group reported a foreign exchange gain amounting to S\$2.3 million for 3Q2018 as a result of the appreciation of the US Dollar against the respective functional currencies of the Group's entities. Excluding the impact from foreign exchange gains and retrenchment costs, the Group's core net profit declined to S\$5.3 million.

Commenting on the Group's third quarter results announcement, **Group CEO & Executive Director Mr Khoo Boo Hor** said, ***“Despite challenging market conditions, we remain confident in our resilient business model as the long-term sustainability and profitability of our operations remains on track. Leveraging on our global presence which spans 20 manufacturing sites in nine different countries, we continue to receive business queries from both new and existing customers who are interested in our technological capabilities and ability to handle projects across multiple geographic regions. As a result, our order book across all business segments remains stable.***

We remain vigilant of headwinds such as rising labour, utility and materials costs, as well as foreign exchange rate volatility. While having a substantial portion of our operations outside of China should bode well for us, we are also keeping a close watch on the ongoing trade war. Nevertheless, we are charting steady growth as our core business operations continue to gain traction heading into the close of the year.”

- 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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