Sunningdale reports S$163.1 million revenue for 2Q2019; Declares interim dividend of 3.0 Singapore cents

- Revenue declines 10.3% yoy to S$163.1 million as the Group continues to be impacted by the global slowdown in automotive sales as well as overall weak market sentiment
- Continues to gain strong traction in the Healthcare segment while outlook in the Consumer/IT and Mould Fabrication segments remains stable
- Barring any unforeseen circumstances, the Group expects to report a stronger 2H2019 as it focuses on tightening cost controls and enhancing capacity utilisation across its global manufacturing sites

SINGAPORE – 6 August 2019 – 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 second quarter ("2Q2019") ended 30 June 2019.

Financial Highlights

(S$'000)	2Q2019	2Q2018	Change
Revenue	163,129	181,866	(10.3)%
Gross Profit	15,585	23,043	(32.4)%
Gross Profit Margin (%)	9.6	12.7	(3.1) pts
Net (Loss)/Profit	(1,085)	9,737	n.m.
Core Net (Loss)/Profit (excluding net FX gains, retrenchment costs, onerous rental, insurance claims, allowance for impairment on PPE, gains/losses on disposal of PPE and finance costs on lease liabilities)	(677)	6,498	n.m.
(Loss)/Earnings per Share - Basic (Sing cents)	(0.57)	5.15	n.m.
Net Asset Value per Share (Sing $)	1.94	2.01	(3.5)%

Amid trade war tensions and subdued global growth, the Group reported a 10.3% year-on-year ("yoy") decline in revenue to S$163.1 million. The decline in revenue was attributed primarily to the Automotive segment which continued to be impacted by the worldwide slowdown in automotive sales and certain projects reaching end-of-life. Revenue from the Automotive segment declined 15.5% yoy to S$60.0 million.

Similarly, the Group's Consumer/IT segment was impacted by weak market sentiment. In addition, the Group had made a deliberate and strategic decision to exit the lower-margin business of a particular customer in February 2019. Accordingly, revenue from the Consumer/IT segment declined 7.6% yoy to S$62.3 million.

Conversely, revenue from the Group's Healthcare segment increased 11.0% yoy to S$15.2 million driven by strong demand from two customers.

The Group reported a 32.4% yoy decline in gross profit to S$15.6 million. Correspondingly, gross profit margin declined 3.1 percentage points to 9.6%. This was mainly due to lower utilisation as a result of the decline in orders, lower utilisation during the initial start-up phase at the Group's new plant in Penang and the relocation of the Group's Shanghai operations to Chuzhou.

Group CEO & Executive Director Mr Khoo Boo Hor said, *"The slowdown across global automotive markets, especially in China, has weighed on the Group's operations. In addition, lower levels of utilisation as a result of the overall decline in orders and at our new plant in Penang has impacted our profitability. The Group was further affected by the shift of our operations from Shanghai to the lower-cost region of Chuzhou.*

While still in the initial start-up phase of its operations, we expect utilisation at our Penang facility to gradually improve in 2H2019 with the launch of new projects. Similarly, completion of the shift in our operations from Shanghai to Chuzhou will take place by 3Q2019.

In light of the slowdown in global automotive sales, we continue to monitor the market closely while aggressively pursuing new projects. In the Healthcare segment, we continue to gain strong traction with new project wins from both new and existing customers while our Consumer/IT segment remains stable. Barring any unforeseen circumstances, we expect to report a stronger 2H2019 as we continue to focus on cost controls and enhancing capacity utilisation."

- 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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