



## InnoTek Limited

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### **InnoTek Profitable For Q1'18 Despite Set-up Costs of Subsidiaries in Thailand and Weihai**

**SINGAPORE, 24 April 2018** – SGX Mainboard-listed precision metal components manufacturer **InnoTek Limited** (“InnoTek” or the “Group”) announced today a S\$0.1 million net profit for the three months ended 31 March 2018 (“Q1'18”).

The Group's Weihai unit, Mansfield Technology (Weihai) Co., Ltd., recently secured factory certification to support our customer printer-related activities in China and will begin production in 2H'18. Its Thai unit, Mansfield (Thailand) Co., Ltd. (“Mansfield Thailand”) is still under construction, but made its first shipment in January 2018 with support from the Dongguan plant. Mansfield Thailand is slated to begin production in 2H'18.

Revenue for Q1'18 slide 6.8% to S\$47.6 million from S\$51.1 million in Q1'17. However, revenue in Hong Kong dollars (“HK\$”) increased to HK\$282.6 million (Q1'17: HK\$279.9 million) due to high demand for TV back panels, bezels, heat sinks and car display panels. Automotive stamping sales also saw a brief spike in demand for existing products in Q1'18 as production was brought forward due to the Chinese New Year holidays. This was offset by lower demand for office automation (“OA”) products as Japanese clients continued to move production outside China.

Gross profit (“GP”) dropped to S\$7.4 million in Q1'18 from S\$9.7 million in Q1'17. GP margin was 15.6% in Q1'18 (Q1'17: 19.0%) due mainly to increase in cost of direct and indirect materials, higher wages, setup costs for the Weihai and Thailand subsidiaries, and expenses incurred in preparation for the mass manufacturing of new products in future quarters.

The Group expects its TV segment, which accounted for 30% of Q1'18 revenue, to remain stable, but also warned of future price competition. Despite the introduction of a new model last year, the Group saw higher demand for TV using its current generation of bezels. It is also pursuing collaborations with global automotive suppliers in order to improve its market share and suite of offerings.

Group net asset value per share increased to 60.4 Singapore cents as at 31 March 2018 from 59.8 Singapore cents as at 31 December 2017. Earnings per ordinary share came to 0.05 Singapore cents compared to 1.13 Singapore cents a year earlier.

Cash and short-term deposits for the period were S\$45.1 million compared to S\$35.8 million as at 31 December 2017, due to positive net cash generated from operations. Total borrowings were S\$0.1 million as at 31 March 2018 due to lease financing.

Mr Lou Yiliang, InnoTek's Chief Executive Officer, said: “Thanks to the hard work of our team, we are profitable this quarter despite set-up cost of subsidiaries, Mansfield Weihai and Thailand

subsidiaries. We are mindful of challenges in the operating environment and will double down on efforts to minimise expenditure while ramping up production, with a view to achieving a better performance and improving shareholder value.”

“Even as we refine our manufacturing operations and technical capabilities to sustain growth, we will also engage with new and existing clients to remain competitive,” he added.

**## End of Release ##**

### **About InnoTek Limited**

Singapore Exchange Mainboard-listed InnoTek Limited (“InnoTek” or “the Group”) is a precision metal components manufacturer serving the consumer electronics, office automation and automotive industries.

With five manufacturing facilities in the PRC, the Group’s wholly owned subsidiary, Mansfield Manufacturing Company Limited (“MSF”), provides precision metal stamping, commercial tool and die fabrications and sub-assembly works to a strong and diversified base of Japanese and European end-customers.

For more information, visit: [www.innotek.com.sg](http://www.innotek.com.sg)

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