



# InnoTek Limited

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## InnoTek's 2018 Net Profit Hits S\$20.2 Million

S\$'000	Q4'18	Q4'17 (Restated)	Change %	FY'18	FY'17 (Restated)	Change %
Revenue	55,815	56,416	(1.1)	218,299	212,946	2.5
Gross Profit	12,112	9,392	29.0	46,726	38,983	19.9
Gross Profit margin (%)	21.7	16.6	5.1 ppt*	21.4	18.3	3.1 ppt*
Profit before Tax	8,518	5,318	60.2	23,345	15,835	47.4
Net Profit before exceptional gain	5,027	1,557	222.9	17,820	8,620	106.7
Net Profit	7,287	2,810	159.3	20,239	9,873	105.0
Earnings Per Share (Singapore cents)	3.22	1.25	157.6	8.98	4.41	103.6

\* ppt denotes percentage points

**SINGAPORE, 28 February 2019** – InnoTek Limited (“InnoTek” or the “Group”) announced today that its earnings for 2018 rose to S\$20.2 million from S\$9.9 million in 2017 despite a broad slowdown in China. Earnings per share for FY'18 came to 8.98 Singapore cents, up from 4.41 Singapore cents for the previous year.

Net profit before exceptional gain for the 12 months ended 31 December 2018 (“FY'18”) increased to S\$17.8 million from S\$8.6 million in FY'17.

The FY'18 exceptional gains of S\$2.4 million include write-back of impairment loss on property, plant and equipment and a write-back of tax provision made in 2017 for obtaining a new three-year tax concession, offset by Mansfield Weihai exit expense. Q4'18 exceptional gains include the write-back of impairment loss and Mansfield Weihai exit provision totaling S\$2.3 million.

Revenue rose to a three-year high of S\$218.3 million in FY'18 from S\$212.9 million in FY'17. Higher sales of heatsinks, car display panels, auto and OA tooling, as well as a one-time order for a commercial display product, offset lower sales of TV back panels and bezels, office automation and automotive products.

Overall gross profit margin edged up as the Group achieved higher sales for its precision machining business and automating production at its stamping business besides reducing outsourcing.

For the quarter ended 31 December 2018 (“Q4'18”), the Group made a net profit of S\$5.0 million before exceptional gain, up from S\$1.6 million before exceptional gain for the same period a year earlier (“Q4'17”). The factors behind the growth in its Q4'18 earnings were mostly similar to those that drove the increase in its FY'18 net profit.

While revenue in Q4'18 was flat at S\$55.8 million, the Group gross profit margin also improved as production efficiency improved and sales at its precision machining business increased.

A first and final dividend of 1.0 Singapore cent a share and a special dividend of 0.5 Singapore cent have been proposed.

Mr Lou Yiliang, Chief Executive Officer of InnoTek, said: “We managed to achieve a healthy set of results despite various challenges such as wage inflation, fluctuations in raw material prices and a broad slowdown in the Chinese economy. While China’s economic outlook in the near term is uncertain, we expect performance to maintain stable in 2019. For instance, mass production of a number of new automotive orders secured last year is underway, while the Group OA business is still growing steadily this year despite the Group’s Japanese customers transferring their production from China to Southeast Asia.”

The Group’s new Thailand plant started production in December 2018 and mass production is expected to commence in second quarter 2019. The Thailand plant will be able to support its office automation business in Southeast Asia, 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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