



## InnoTek Limited

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### InnoTek Announces Q2'17 Results; Continues Restructuring To Focus On New Customers, New Products And New Thailand Facility

S\$'000	2Q'17	2Q'16	1H'17	1H'16
Revenue	49,040	50,638	100,124	103,599
Gross Profit	7,725	8,466	17,435	16,499
Gross Profit Margin (%)	15.8	16.7	17.4	15.9
Net Profit/(Loss)	535	2,303	3081	1,795
Earnings/(Loss) Per Share	0.24	1.03	1.38	0.80

**SINGAPORE, 12 August 2017** – SGX Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) announced today its financial results for the three-months ended June 2017 (“Q2'17”).

Revenue for the precision metal components manufacturer declined S\$1.6 million to S\$49.0 million in Q2'17 from S\$50.6 million in Q2'16 following the faster-than-expected pull-out of major office automation customers from China to lower-cost countries in Southeast Asia. Sales from automotive products were also slightly lower as current programmes near end-of-life, while mass production from newly secured automotive programmes will only start next year. The decline was partially offset by higher TV bezel and tooling sales.

Gross profit dropped to S\$7.7 million in Q2'17 from S\$8.5 million a year earlier. Gross profit margin (“GPM”) declined to 15.8% from 16.7% over the comparative periods due to lower revenue.

The Group recorded a net profit for Q2'17 of S\$0.5 million, S\$1.8 million lower than the net profit of S\$2.3 million in Q2'16, after factoring in lower GPM, higher administrative expenses, higher tax expense and exchange loss during the latter quarter. The higher tax expense of S\$0.3 million is mainly attributable to profits from Magix Mechatronics, which has fully utilised its losses carried forward from previous years. For 1H'17 the Group recorded a net profit of S\$3.1 million, higher by S\$1.3 million compared to the net profit of S\$1.8 million in 1H'16.

The Group intends to add new products to its portfolio to mitigate the drop in orders for office automation. It will also extend its product range to include children's car seats and a heat-sink product under the automotive and TV business segments, respectively. It has started accepting orders for its heat-sink product, which will be used for TVs and computers, and expects to start delivering orders to customers by end of the year.

As announced in April 2017, the Group has incorporated a wholly-owned subsidiary, Mansfield (Thailand) Co. Ltd (“Mansfield Thailand”), as part of its effort to support a major customer who has relocated to Thailand. The Group has recently increased the registered share capital of Mansfield Thailand to settle first down-payment of land in

the Amata City (Rayong) Industrial Estate, as well as for working capital. All operational activities in Thailand will be supported from Dongguan, China, until the production starts in Mansfield Thailand in the second half of FY2018.

Despite the land down-payment and dividend payment, cash and short-term deposits stood at S\$31.2 million as at 30 June 2017, compared to S\$30.1 million six months ago.

Earnings per share for first half of FY2017 (“1H’17”) increased to 1.38 cents from 0.80 cent in 1H’16. Net asset backing per share declined slightly to 55.7 cents as at 30 June 2017 from 55.8 cents as at 31 December 2016, as a result of translation loss and dividend payment.

“We continue to focus on strengthening the business for this year. Internal efficiencies, new customer acquisitions and new product innovations will be the main initiatives for our next phase of restructuring. With the orders coming through for our heat-sink product, we hope to build on this momentum as we strengthen our portfolio,” said Mr. Lou Yiliang, Chief Executive Officer of InnoTek.

“FY2017 will likely be a crucial transitional phase as we work on both our restructuring efforts as well as our Thailand investments. We will focus on setting up the Thailand plant while also striving to continuously expand our customer base,” 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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