



InnoTek Limited

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InnoTek Records S\$5.0M Net Profit in 3Q'16, Reversing Loss of S\$3.5M in 3Q'15; 9M'16 S\$6.8M Net Profit Represents a S\$17.9M Positive Swing From 9M'15 S\$11.0M Net Loss

S\$'000	Q3'16	Q3'15	Change %	9M'16	9M'15	Change %
Revenue	55,753	58,591	(4.8)	159,352	171,879	(7.3)
Gross Profit	12,228	2,706	351.9	28,721	8,841	224.9
Gross Profit Margin (%)	21.9	4.6	17.3 ppt*	18.0	5.1	12.9 ppt*
Net Profit/(Loss)	5,017	(3,499)	NM	6,812	(11,084)	NM
Earnings/(Loss) Per Share	2.24	(1.56)	NM	3.04	(4.95)	NM

NM denotes Not Meaningful
ppt denotes percentage points

SINGAPORE, 14 November 2016 – InnoTek Limited (“InnoTek” or the “Group”) announced today that it recorded a net profit of S\$5.0 million for the July-September 2016 period (“3Q'16”), reversing a loss of S\$3.5 million for 3Q'15, a second consecutive quarter of profitability following operational improvements under a new management leadership.

The SGX Mainboard-listed precision metal components manufacturer reported a higher bottom line despite a 4.8% decline in revenue to S\$55.8 million from S\$58.6 million over the comparative period.

Higher sales of TV bezels to two major Taiwanese customers in 3Q'16 were offset by a lower sales from office automation and consumer products in the precision components and tooling segment as new production programmes by Japanese office automation brands were relocated to lower-cost countries.

For the January-to-September 2016 period (“9M'16”), the Group recorded a net profit of S\$6.8 million, resulting in a positive swing of S\$17.9 million, from a loss of S\$11.1 million for the same nine-month period a year earlier.

Gross profit for 3Q'16 improved 351.9% to S\$12.2 million from S\$2.7 million a year earlier, while gross profit margin improved 4.76 times to 21.9% from 4.6%, respectively.

Cost of sales decreased by 22.1% to S\$43.5 million in 3Q'16 from S\$55.9 million in 3Q'15. This was mainly attributed to lower cost of materials mix towards the Assembly segment, reduced headcount, a lower depreciation as well as increased in-house production which reduced subcontract expenses.

Earnings per share increased to 3.04 cents in 9M16 from a loss per share of 4.95 cents in 9M'15. Net asset backing per share improved to 52.9 cents as at 30 September 2016 compared to 51.9 cents as at 31 December 2015.

The improvements in performance and margins follow operational changes – to reduce costs, increase productivity and strengthen customer engagement – introduced by the management under the leadership of Mr Lou Yiliang, who was appointed on 2 November 2015.

“Despite the challenging operating environment, our improved performance for two consecutive quarters which resulted in a turnaround from losses, underscore the success of our restructuring initiatives,” said Executive Director Lou Yiliang, who is also the Chief Executive Officer of Mansfield Manufacturing Company Limited, the Group’s operating unit.

“We will continue to build on the momentum of the restructuring while seeking to move up the value chain, maintain existing customers and add new customers with a view to enhancing shareholder value,” 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

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