



InnoTek Limited

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SGX-Listed InnoTek Announces Q3'12 Results

MSF (S\$ Million)	Q2'12	Q3'12	Q3'11	Q3'12 vs Q3'11	Change %	9M'12	9M'11	9M'12 vs 9M'11	Change %
Continuing Operations									
Turnover	71.0	65.8	87.2	(21.4)	(24.5)	207.1	239.1	(32.0)	(13.4)
Net (Loss) / Profit									
MSF Net (Loss)/Profit	(1.5)*	(3.2)	1.3	(4.5)	NM	(8.7)*	2.5	(11.2)	NM
Corporate (Loss)/Profit	(0.1)	(0.2)	(0.2)	(0.0)	(8.2)	(0.8)	(1.3)	0.5	42.3
Total	(1.6)*	(3.4)	1.1	(4.5)	NM	(9.5)*	1.2	(10.7)	NM
Basic EPS (cents)	(0.99)	(1.51)	0.49	(2.00)	NM	(4.49)	0.52	(5.01)	NM

* Excluding S\$0.6 million loss from disposal of MICL; ** NM – Not Meaningful

SINGAPORE, [6] November 2012 – SGX Mainboard-listed **InnoTek Limited** (“**InnoTek**” or “the Group”) announced today its results for the third quarter ended 30 September 2012 (“Q3'12”) showing continued positive cash despite increased loss from continuing operations of its wholly owned Mansfield Manufacturing Company Ltd (“MSF”) despite lower revenue.

Revenue from continuing operations of the regional precision metal components specialist declined to S\$65.8 million in Q3'12 from S\$71.0 million in Q2'12 (S\$21.4 million compared to S\$87.2 million in Q3'11). This was due largely to the economic slowdown in China and the recent political tension between Japan and China. A significant portion of the stamped component business is derived from Japanese customers.

Stamping components and Tooling revenue declined by S\$21.8 million to S\$52.2 million from S\$74.0 million, partially mitigated by the marginal increase in assembly revenue to S\$13.5 million in Q3'12 from S\$13.2 million in Q3'11.

The Group's continuing operations for Q3'12 reported a net loss of S\$3.4 million compared to a net profit of S\$1.1 million in Q3'11. MSF's loss of S\$3.2 million in Q3'12, which compared to S\$1.3 million profit in Q3'11, was due mainly to weaker performance of office automation (“OA”) products, while auto component programmes were impacted by competitive pricing and rising labour costs.

MSF's loss for Q3'12 also included start-up costs related to the new mobile business amounting to S\$1.1 million, and a loss of S\$0.3 million incurred by the delays in the set-up of facilities of the new Wuhan plant. Q3'12 loss also included an exchange loss of S\$0.4 million compared to an exchange gain of S\$0.2 million in Q3'11 due to the weakening of the HK\$/USD against S\$.

Despite the loss during the quarter, the continuing operations generated positive cash from operations of S\$4.8 million, raising the cash balance to S\$35.2 million from S\$32.1 million as at 30 June 2012. The Group's net cash position stands at S\$15.4 million or 6.86 cents per share with total borrowings of S\$19.9 million as at 30 September 2012.

For the nine months ended 30 September 2012 ("9M'12"), the Group's revenue from continuing operations declined by S\$32.0 million or 13.4% to S\$207.1 million from S\$239.1 million recorded in 9M'11. This was mainly due to lower sales of stamping components by S\$17.3 million and also lower sales from assembly products and tooling totalling S\$14.7 million.

The Company-level loss reduced by S\$0.5 million to S\$0.7 million from S\$1.2 million in 9M'11. This was mainly due to the higher dividend income by S\$0.2 million from Sabana Reits received in 9M'12. In 9M'11, the Group had incurred S\$0.4 million in costs related to M&A projects which were subsequently aborted.

Loss per share from the Group's continuing operations for Q3'12 was 1.51 cents compared to a profit per share of 0.49 cent in Q3'11. Net asset backing per share as at 30 September 2012 stood at 73.4 cents compared to 84.6 cents as at 31 December 2011.

Commenting on the results, Group Managing Director of InnoTek, Mr. Yong Kok Hoon, said, "The Group continues to be impacted by the ongoing European debt crisis and economic slowdown in China. With Japanese TV-related customers facing fierce competition from other countries, the Group's Japanese-related products in automotive and OA sub-sectors were also affected by the recent political tensions between China and Japan which resulted in protests in China against purchases of Japanese goods and services."

The directors expect Q4'12 performance to remain challenging with the current global economic and political uncertainty and the slower growth in China.

"While the current business outlook of the Group remains weak, we will continue to channel resources to enhance our value proposition in the automotive business, and to move up the value chain to capture new opportunities in higher-end smart TV and the new mobility business," Mr Yong said.

The Group remains focused on reducing dependence on businesses which offer less strategic value, facing margin pressure or are less stable. At the same time, the Group will continue to work on improving operational efficiency to increase the margin of the existing OA and automotive businesses.

End of Release

About InnoTek Limited

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

With seven 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 diversified base of end-customers.

For more information, visit: www.innotek.com.sg

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