

InnoTek Posts 1H'16 Net Profit Of S\$1.8 Million, Reversing From A Loss Of S\$7.6 Million In 1H'15

S\$'000	Q2'16	Q2'15	Change %	1H'16	1H'15	Change %
Revenue	50,638	57,590	(12.1)	103,599	113,288	(8.6)
Gross Profit	8,466	2,403	252.3	16,493	6,135	168.8
Gross Profit Margin (%)	16.7	4.2	12.5 ppt*	15.9	5.4	10.5 ppt*
Net Profit/(Loss)	2,303	(5,011)	NM	1,795	(7,585)	NM
Earnings/(Loss) Per Share	1.03	(2.24)	NM	0.80	(3.39)	NM

NM denotes Not Meaningful
ppt denotes percentage points

SINGAPORE, 10 August 2016 – SGX Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) announced today a net profit of S\$1.8 million for the January-to-June 2016 period (“1H'16”), a positive swing of S\$9.4 million, from a loss of S\$7.6 million a year earlier, on the back of efforts to improve efficiency.

The precision metals components manufacturer’s net profit of S\$2.3 million for the quarter ended 30 June 2016 (“2Q'16”) reversed sharply from a loss of S\$5.0 million in 2Q'15 despite a 12.1% decline in revenue to S\$50.6 million from S\$57.6 million over the comparative periods.

2Q'16 gross profit more than tripled to S\$8.5 million from S\$2.4 million, while gross profit margin rose nearly four-fold to 16.7% from 4.2%, over the comparative periods.

InnoTek, with five manufacturing facilities in China, said the improved performance followed key initiatives being executed under a new management to reduce operating costs, increase productivity and strengthen customer engagement.

While revenue for 1H'16 decreased 8.6% to S\$103.6 million from S\$113.3 million in 1H'15, gross profit rose to S\$16.5 million from S\$6.1 million and gross profit margin improved to 15.9% from 5.4%, respectively.

Earnings per share increased to 1.03 cents in 2Q'16 from a loss per share of 2.24 cents in 2Q'15. Net asset backing per share decreased to 50.3 cents as at 30 June 2016 compared to 51.9 cents as at 31 December 2015 due mainly to translation loss as a result of the weakening of the Hong Kong dollar against the Singapore dollar over the respective periods.

“The turnaround in financial performance after 10 quarters of losses reflects the quality and pace of restructuring initiatives under the new management leadership. We will build upon the momentum to enhance shareholder value,” said Executive Director Lou Yiliang, who is also the Chief Executive Officer of Mansfield Manufacturing Company Limited, the Group’s operating unit.

Barring unforeseen circumstances, the Board of Directors expects its performance for the whole of FY2016 to improve upon that of FY2015.

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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