



## InnoTek Limited

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### **InnoTek Announces Q1'15 Results; Accelerates Growth Through Early Customer Engagement and Expansion Into New Markets**

**SINGAPORE, 11 May 2015** – SGX Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) announced today its financial results for the three-months ended March 2015 (“Q1'15”).

The precision metal specialist recorded a S\$1.6 million increase in revenue to S\$55.7 million in Q1'15 from S\$54.1 million in Q1'14 due to commencement of mass production of TV bezels to new non-Japanese customers in the Precision sub-assembly segment.

The Group said it is continuing to engage customers early in the product life cycle and accelerate growth as well as diversify its customer mix. As part of this strategic shift it has enhanced its capabilities and also engaged sales representatives in new markets such as U.S. and Europe.

Gross profit dropped to S\$3.7 million in Q1'15 from S\$4.6 million in Q1'14. Gross profit margin declined to 6.7% from 8.6% over the comparative period due to higher initial start-up costs, especially wages, and higher rework costs for the Precision Assembly segment due to the ramp-up in mass production build.

Net loss for Q1'15 was S\$2.6 million, 31.9% lower as compared to S\$3.8 million in Q1'14. This was due to foreign exchange gain from the stronger U.S. and Hong Kong currencies and higher fair-value gain on trading investments.

The Group disposed 1,200,000 Sabana Reit shares in Q1'15 which improved its total cash balance to S\$22.5 million as at 31 March 2015. InnoTek's net cash position stood at S\$14.1 million at the end of Q1'15.

Loss per share for Q1'15 was 1.15 Singapore cents while net asset backing per share as at 31 March 2015 stood at 58.8 Singapore cents.

Chairman of the Executive Committee of InnoTek, Mr. Peter Tan Boon Heng, said, “We have set in motion a strategy since last year to reduce dependence on Japanese manufacturers and to engage Taiwanese and Chinese manufacturers from the early stages of the product life cycle and are beginning to see improvements.”

To drive top-line growth, the Group has added resources to enhance production and engineering capabilities to facilitate such early involvement in the product life cycle. The Group will also further augment sales for tooling through the newly appointed sales representatives in new markets in the U.S. and Europe.

The Group is gaining momentum in the Taiwan market and is reasonably confident that with mass production for a Taiwanese customer commencing in Q1'15, revenue contribution from Taiwanese ODM's will increase throughout the year.

The Group continues to pursue cost and operational efficiencies while moving up the value chain including additional CNC machines and investing in 3D tooling software. The Group will continue to consolidate its manufacturing footprint, while emphasising increasingly higher-tonnage (800 tonnes and above) metal stamping capability

With enhanced tooling capabilities, the Group hopes to increase its business activities in the automotive sector which offers growth opportunities and better stability amidst continued demand for car in China.

Following the mass production ramp in Q1'15 and the sluggish demand in TV sales the Group expects overall TV shipments in Q2'15 to record slower revenue growth on a sequential basis compared to Q1'15.

## 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 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 multi-national end-customers.

For more information, visit: [www.innotek.com.sg](http://www.innotek.com.sg)

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