



## InnoTek Limited

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### **SGX-Listed InnoTek Proposes FY'17 Final Dividend Of 1.0 Singapore Cent, Double That Of FY2016; Reports FY'17 Net Profit Of S\$9.8 Million Amid Stronger Sales of TV Products**

**SINGAPORE, 28 February 2018** – InnoTek Limited (“InnoTek” or the “Group”) proposed today a full-year dividend of 1.0 Singapore cent for the 12 months ended 31 December 2017 (“FY'17”), double that a year earlier, after reporting a net profit of S\$9.8 million that included gains from stronger sales in the TV segment.

The SGX Mainboard-listed precision metal components manufacturer said its FY'17 net profit declined from S\$11.6 million in FY'16 due to higher tax expenses and exchange losses. Profit before tax was S\$15.8 million in FY'17, S\$2.0 million higher than the S\$13.8 million recorded in FY'16.

Revenue for FY'17 dipped 1.0% to S\$212.7 million from S\$214.7 million a year ago due to lower sales of office automation (“OA”) and consumer products, as Japanese OA clients moved production out of China to lower-cost countries. This was offset by higher turnover from the Group's precision machining segment, which recorded increased sales of TV bezels, TV heat sinks and car display panels

Net profit for the three months ended 31 December 2017 (“Q4'17”) declined to S\$2.0 million from S\$4.8 million in Q4'16, mainly due to unrealised exchange losses and higher tax expense. Q4'17 revenue rose 1.3% to S\$56.1 million from S\$55.4 million in Q4'16, driven mainly by the TV segment, which has secured new clients and orders for new products.

The TV segment is experiencing healthy growth as the higher-quality finish and general shift towards larger-format High-Definition TV panels continue to benefit the Group. For the first time, it has overtaken the OA division as InnoTek's main revenue contributor, accounting for 39% of revenue in Q4'17.

Earnings per ordinary share for FY'17 declined to 4.39 Singapore cents compared to 5.17 Singapore cents a year ago. Group net asset value per share increased to 59.8 Singapore cents as at 31 December 2017 from 55.8 Singapore cents.

Cash and bank balances were S\$35.8 million as at 31 December 2017 due to positive cash flows from operations. Total borrowings stood at S\$0.1 million as at 31 December 2017, similar to the previous year, due to lease financing.

The proposed FY'17 dividend is subject to shareholders' approval at the forthcoming Annual General Meeting in April.

To address the relocation of business activities by some Japanese customers from China to Southeast Asia, the Group is ramping up development of its Thailand subsidiary, Mansfield (Thailand) Co. Ltd. (“Mansfield Thailand”) to deepen synergies with OA clients. Construction of the plant is scheduled for completion in 1H'18, with production commencing in 2H'18. Until then, the Group will support Mansfield Thailand from its facility in Dongguan, China.

In Q3'17, the Group incorporated Mansfield Technology (Weihai) Co. Ltd. (“Mansfield Weihai”) to support Hewlett Packard’s printer-related operations in Weihai, following Hewlett Packard’s US\$1.05 billion acquisition of Samsung’s printer business in China. Mansfield Weihai’s activities include research and development, the design and manufacture of precision metal stamping, tooling, non-metal and assembly products and services. It expects to begin mass-producing OA products in 2H'18.

The Group is optimistic about its prospects in the automotive sector, which it intends to develop as one of its core businesses. Sales for its received orders are approaching end-of-life, while newer ones will commence mass production in 2H'18. The Group will pursue more automotive programmes such as production of interior parts as well as functional and safety parts, and work closely with global suppliers to develop this sector as main revenue contributor.

Mr Lou Yiliang, InnoTek’s Chief Executive Officer, said: “The Group will improve operational and cost efficiencies by focusing on technological innovation such as manufacturing automation, which will enable us to tackle challenges such as wage inflation and higher operating costs. We will strive to secure more clients even as we strengthen manufacturing activities in Thailand and Weihai.”

## 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, tool and die fabrications and sub-assembly works to a strong and diversified base of domestic and international customers.

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

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