



## InnoTek Limited

160 Robinson Road, SBF Center #24-12, Singapore 068914  
Tel: (65) 6535 0689 Fax: (65) 6533 2680  
Reg. No. 199508431Z

### InnoTek Posts Q2'18 Profit of S\$5.8 Million; Officially Opens Manufacturing Plant in Thailand

S\$'000	Q2'18	Q2'17	Change %	1H'18	1H'17	Change %
Revenue	52,366	49,075	6.7	99,978	100,185	(0.2)
Gross Profit	10,563	7,726	36.7	17,990	17,425	3.2
Gross Profit Margin (%)	20.2	15.8	4.4 ppt*	18.0	17.4	0.6 ppt*
Profit before Tax	4,657	790	489.5	5,512	4,643	18.7
Net Profit	5,713	536	965.9	5,830	3,071	89.8
Earnings Per Share (Singapore cents)	2.53	0.24	954.2	2.60	1.37	89.8

\* ppt denotes percentage points

**SINGAPORE, 14 August 2018** – Singapore Exchange Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) has posted a S\$5.8 million net profit for the three months ended 30 June 2018 (“Q2'18”), a marked increase from S\$0.5 million last year despite set-up costs incurred by its new factory in Thailand.

The precision metal components manufacturer said the stronger bottom-line was driven by its profitable core business, Mansfield Group (“Mansfield”), which see its precision machining and precision component business segment achieving great results from various improvement initiatives like automating production process, improving the technology level and awarding incentives for employees. Higher demand for heat sinks and car displays, as well as a one-off commercial display order in Q2'18 from the precision machining segment, coupled with steady increase in sales from the component stamping business, also contributed to the higher profit for the Mansfield Group.

The Group's revenue edged up by 6.7% from S\$49.1 million in Q2'17 to S\$52.4 million in Q2'18. Office automation business has stabilized, and with the contribution of the newly secured children's car seat programmes, the precision stamping business is still performing well. Tooling sales in Q2'18 also increased on the back of sales to two new clients and new mold orders from OA customers.

Gross profit rose 36.7% to S\$10.6 million in Q2'18 from S\$7.7 million in Q2'17. The higher gross profit margin was the result of production efficiency improvement and steady increase in sale orders from both the precision machining and precision stamping business.

For the six months ended 30 June 2018 (“1H'18”), the Group reported a net profit of S\$5.8 million, up from S\$3.0 million in 1H'17. A major contributor to the net profit was the reversal of 2017 tax provision amounting to S\$2.1 million (RMB9.9 million), following the award of a certificate from a combination of various mainland Chinese government agencies in Guangdong in May 2018, confirming high technology tax concession of 15% for 3 years starting 2017. Tax provision was made at 25% in 2017.

Revenue amounted to S\$100.0 million for 1H'18, comparable to S\$100.2 million in 1H'17. Without considering the impact of the weakening Hong Kong dollar (“HK\$”) against the Singapore dollar, revenue denominated in HK\$ increased to HK\$590.5 million in 1H'18 from HK\$554.6 million the year before.

Earnings per share increased to 2.60 Singapore cents in 1H'18 from 1.37 cents in 1H'17. As at 30 June 2018, the Group had cash and short-term deposits of S\$37.9 million and a net asset value of 61.6 Singapore cents per share.

Mansfield announced in June 2018 that it had officially opened its plant in Rayong, Thailand (“Mansfield Thailand”), and will begin production in the second half of 2018 (“2H'18”). Mansfield Thailand is expected to deepen InnoTek's synergies with major Japanese OA clients which have shifted production from China to Southeast Asia, and is slated to commence revenue contributions in the year ending 31 December 2019 (“FY'19”).

The Group's Weihai unit, Mansfield Technology (Weihai) Co., Ltd., holds factory certification to support a key customer's printer-related activities in China and also begin production in 2H'18. However mass production of new products will only starts in 2H'18.

Mr Lou Yiliang, Chief Executive Officer of InnoTek, said: “It has been an exceptional quarter for InnoTek. Despite the start-up costs for our new subsidiaries, our improved sales performance and the opening of our Thailand plant have put us in a much better position to serve our clients in the region. We have implemented robotic arms and other initiatives to automate our manufacturing operations, and will continue to upgrade our capabilities to boost productivity and drive growth.”

“Although we faced pressure of the Sino-China trade war and challenges such as rising material cost, higher labour cost and changes in Chinese government policy on social security and housing funds, yet going forward, we will strive to sustain our sales momentum by strengthening engagement with our existing clients and securing new programmes. We also expect to commence mass production for our clients in the automotive sector next year, which we believe will be another engine of growth,” 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](http://www.innotek.com.sg)

#### **InnoTek Limited contact:**

160 Robinson Road, SBFC #24-12  
Singapore 068914  
Tel: (65) 6535 0689 Fax: (65) 6533 2680  
Linda Sim, [lindasim@innotek.com.sg](mailto:lindasim@innotek.com.sg)

#### **Investor Relations contact:**

##### **WeR1 Consultants Pte Ltd**

3 Phillip Street, #12-01  
Royal Group Building  
Singapore 049394  
Tel: (65) 6737 4844, Fax: (65) 6737 4944  
Betty Dong, [betty@wer1.net](mailto:betty@wer1.net); Grace Yew, [graceyew@wer1.net](mailto:graceyew@wer1.net)