



## InnoTek Limited

1 Finlayson Green, #15-02, Singapore 049246. Tel: (65) 6535 0689 Fax: (65) 6533 2680  
Reg. No. 199508431Z

# SGX-Listed InnoTek Announces Q2'14 Results

**SINGAPORE, 11 August 2014** – SGX Mainboard-listed precision metal specialist **InnoTek Limited** (“InnoTek” or the “Group”) announced its financial results for the three-month period ended 30 June 2014 (“Q2'14”).

Revenue decreased by S\$3.5 million or 5.9% to S\$54.8 million in Q2'14 from S\$58.3 million in Q2'13. While sales from Precision sub-assembly and Tooling segments declined, revenue from the Precision Component segment rose as a result of higher demand for automotive products.

The Precision sub-assembly segment was impacted by an early end-of-life of a major TV product in Q4'13 from a major Japanese customer and was not replaced by new projects. The Tooling segment revenue was affected mainly by intense competition from local companies with lower cost structures.

Gross profit margin for InnoTek's wholly-owned Mansfield Manufacturing Company Ltd (“MSF”) decreased to 8.4% in Q2'14 from 13.6% in Q2'13. This was mainly due to start-up costs incurred by the Precision sub-assembly segment in preparation for mass production of initial orders in Q2'14 secured from established non-Japanese OEM TV manufacturer, and also retrenchment expenses from the Tooling segment.

Gross profit margin was also affected by compensation paid to one senior management staff who left the company in Q2'14, offset by a gain of S\$0.2 million following the Group's decision to diversify into various investment instruments instead of solely in SGX-listed Sabana Reits.

As a result, the Group recorded a net loss after tax of S\$3.9 million in Q2'14 compared to breakeven in Q2'13.

For the six months ended 30 June 2014 (“1H'14”), the Group's revenue declined by 6.4% to S\$109.0 million from S\$116.4 million in 1H'13. This was due to the reduction in revenue from both the Precision sub-assembly and Tooling segments, mitigated by higher demand for automotive products in the Precision component segment.

The Group's net loss increased to S\$7.6 million in 1H'14 from S\$1.4 million in 1H'13, with MSF reporting a higher loss of S\$7.5 million in 1H'14 compared to S\$1.3 million recorded in 1H'13.

InnoTek's net cash position remains healthy at S\$13.4 million, comprising total cash balance of S\$20.0 million less total borrowings of S\$6.6 million, as at 30 June 2014.

Loss per share for Q2'14 was 1.7 cents while net asset backing per share as at 30 June 2014 stood at 66.1 cents.

Executive Director of InnoTek, Mr. Peter Tan Boon Heng, said: “Our efforts to reduce our dependency on the Japanese customers are starting to pay off as we take on new non-Japanese contracts. We will also deepen our penetration in the automotive components sector which continues to show healthy growth.”

“The Group remains resolute in our efforts to improve product quality and achieve better cost efficiencies. We have strengthened our management team and hope to streamline operations through centralisation of certain functions to facilitate better integration and collaboration across our facilities,” he added.

TV production in China market is expected to grow with consumers demanding larger screen sizes, which require higher quality. The Group is capitalising on these opportunities through early involvement in product development to diversify its customer base.

Apart from the steady growth in demand for automotive components in China, the Group also expects the printing and imaging business to remain stable. Barring unforeseen circumstances, the successful production ramp of new TV projects is expected to contribute to a better performance in the second half of 2014.

## 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, printing and imaging 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 end-customers.

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

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

**InnoTek Limited**  
1 Finlayson Green, #15-02,  
Singapore 049246  
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**  
38A Circular Road, Singapore 049394  
Tel: (65) 6737 4844  
Sheryl Sim, [sheryl@wer1.net](mailto:sheryl@wer1.net)  
Benjamin Cher, [benjamin@wer1.net](mailto:benjamin@wer1.net)