



## InnoTek Limited

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### InnoTek Posts FY'16 Profit Of S\$11.6M, Reversing S\$16.3M Net Loss In FY'15; GP Margin Rises Sharply Despite Lower Revenue; Proposed 0.5 Cent Final Dividend

S\$'000	Q4'16	Q4'15	Change %	12M'16	12M'15	Change %
Revenue	55,388	61,258	(9.6)	214,740	233,137	(7.9)
Gross Profit	12,258	6,400	91.5	40,979	15,241	168.9
Gross Profit Margin (%)	22.1	10.4	11.7 ppt*	19.1	6.5	12.6 ppt*
Net Profit/(Loss)	4,757	(5,209)	NM	11,569	(16,293)	NM
Earnings/(Loss) Per Share	2.13	(2.33)	NM	5.17	(7.28)	NM

NM denotes Not Meaningful  
ppt denotes percentage points

**SINGAPORE, 28 February 2017 – InnoTek Limited** (“InnoTek” or the “Group”) reported today a net profit of S\$11.6 million for the financial year ended 31 December 2016 period (“FY'16”), a swing of S\$27.9 million from a S\$16.3 million loss a year earlier, following the new management’s efforts to improve operational efficiencies. Gross profit (“GP”) margin rose to 19.1% from 6.5% over the comparative periods.

The SGX Mainboard-listed precision metal components manufacturer said its bottom line for FY'16 improved significantly, despite a 7.9% decline in revenue to S\$214.7 million from S\$233.1 million in FY'15.

Despite higher sales of TV bezels to two major Taiwanese customers in FY'16, the Group’s revenue declined due to lower sales of office automation and consumer products as Japanese office automation brands relocated production to lower-cost countries. Sales of automotive products also declined as current programmes are nearing end-of-life, while newly secured programmes have yet to commence.

Cost of sales decreased by 20.3% to S\$173.8 million in FY'16 from S\$217.9 million in FY'15. This was mainly attributed to lower cost of materials for the Assembly segment, lower salaries and wages, lower depreciation and increased in-house production, which reduced subcontract expenses.

The improved operational efficiencies are in line with major restructuring efforts under the new management. As a result, gross profit for FY'16 improved 168.9% to S\$41.0 million from S\$15.2 million a year earlier, while GP margin improved by 2.94 times to 19.1% from 6.5%.

Cash and bank balances were S\$30 million as at 31 December 2016, up 19.5% from S\$25 million a year ago, even after repaying invoice financing of S\$5.3 million from a bank in the People’s Republic of China. Total borrowings fell to S\$0.1 million as at 31 December 2016.

Earnings per share increased to 5.17 cents in FY'16 from a loss per share of 7.28 cents in FY'15. Net asset backing per share improved to 55.8 cents as at 31 December 2016, compared to 51.9 cents as at 31 December 2015.

The Group reported a net profit of S\$4.8 million for the October-December 2016 period ("4Q'16"), sharply reversing its loss of S\$5.2 million for the same period a year earlier to achieve a third consecutive quarter of profitability.

To reward shareholders, the Group has proposed a first and final one-tier tax exempt dividend of 0.5 cent per share.

The Group's restructuring included efforts to improve cost efficiency, asset utilisation, staff skills and customer engagement. These efforts were led by Mr. Lou Yiliang, who on 2 November 2015 was named Executive Director and Chief Executive Officer of Mansfield Manufacturing Company Ltd, the Group's operating unit.

"The past financial year was a challenging period as our restructuring initiatives gained significant momentum. The strong turnaround, with three consecutive quarters of profitability, underscores the success of these efforts," said Mr. Lou.

"To build on this momentum, we will strive to strengthen our branding as well as relationships with new and existing customers, with a view to enhancing shareholder value," 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)

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