



InnoTek Limited

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

SGX-Listed InnoTek Announces Q1'14 Results

SINGAPORE, 9 May 2014 – SGX Mainboard-listed InnoTek Limited (“InnoTek” or the “Group”), a precision metal components specialist, announced today its financial results for the three-month period ended 31 March 2014 (“Q1'14”).

Revenue declined to S\$54.1 million in Q1'14 from S\$58.1 million in Q1'13 as sales in the Precision sub-assembly and Tooling businesses decreased to S\$4.2 million from S\$10.0 million, partially mitigated by an increase in revenue from the Precision Component segment to S\$49.9 million from S\$48.1 million, respectively.

The Precision sub-assembly segment revenue was mainly impacted by an early end-of-life of a major TV product in Q4'13 from a major Japanese customer without replacement programmes. The Tooling business was also affected by lower revenue and lower margin of some new orders due to intense competition. However higher demand for automotive products and improvement in production efficiency resulted in lower losses incurred by the Precision component segment in Q1'14.

Against this backdrop, gross profit margin for the Group's wholly-owned Mansfield Manufacturing Company Ltd (“MSF”) decreased to 8.6% from 14.6% in Q1'13 despite efforts to improve efficiencies.

As a result, MSF recorded a loss of S\$3.6 million in Q1'14 compared to S\$1.4 million in Q1'13. The Q1'14 loss includes start-up costs incurred by Precision sub-assembly segment in preparation for mass production for initial orders secured from other established TV manufacturers at the end of 2013 amidst lower demand from a major existing Japanese customer.

The Group recorded a net loss after tax of S\$3.8 million in Q1'14, compared to S\$1.4 million in Q1'13.

InnoTek's net cash position was S\$15.2 million or 6.77 cents per share, comprising cash and cash equivalents of S\$23.6 million less total borrowings of S\$8.4 million, as at 31 March 2014.

Loss per share for Q1'14 was 1.68 cents while net asset backing per share as at 31 March 2014 stood at 69.1 cents.

The Group will continue to streamline operations and deepen its penetration in the automotive components sector in line with higher demand for such products so as to achieve cost efficiency and higher revenue from the Precision Component segment.

Managing Director of InnoTek, Mr. Yong Kok Hoon, commented: “The Group is actively taking steps to diversify its customer base to reduce heavy dependency on Japan-based customers. Our effort has begun to bear fruit, with the Group managing to secure initial orders from established non-Japanese TV manufacturers.”

Due to the relatively lower initial volumes and high start-up costs, Q2'14 performance will continue to remain challenging. Barring unforeseen circumstances, the successful production ramp of the new orders 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, 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

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

Yong Kok Hoon, khyong@innotek.com.sg

Investor relations contact:

WeR1 Consultants Pte Ltd

38A Circular Road, Singapore 049394

Tel: (65) 6737 4844, Fax: (65) 6737 4944

Josephine Auxilio, josephine@wer1.net ; Ian Lau, ianlau@wer1.net