

InnoTek Limited

(Company Registration No. 199508431Z)
(Incorporated in the Republic of Singapore)

UPDATE ON OPERATIONS IN VIEW OF RECENT OUTBREAK OF COVID-19

The Board of Directors (the “Board”) of InnoTek Limited (“InnoTek”) and together with its subsidiary, Mansfield Manufacturing Co. Ltd, (the “Group”) refers to the Company’s announcement dated February 10 2020, relating to the impact on the Group’s operations in China and Thailand due to the COVID-19 pandemic.

- 1) As of 24 April 2020, there have been no confirmed cases of infection among the employees of the Group.
- 2) InnoTek’s five manufacturing facilities in China had reopened progressively from 10 February 2020. Almost all the Group’s customers in China have resumed operations to some degree but demand remain low. Major suppliers have also now resumed production and disruption to supply is minimal.
- 3) Despite the cessation of quarterly reporting as announced earlier, the Board would like to give shareholders an indication of the Group’s performance for the three months ended 31 March 2020 (“1Q’20”) in light of the COVID-19 outbreak.

Below is the Group’s unaudited loss for Q1’20 as compared to Q1’19.

	Q1’20 S\$’000	Q1’19 S\$’000	Q1’20 vs Q1’19 S\$’000	Q1’20 vs Q1’19 %
Turnover	33,905	44,235	(10,330)	(23.4)
Net (Loss)/Profit After Tax	(1,047)	3,891	(4,938)	(126.9)
Basic EPS (cents)	<u>(0.46)</u>	<u>1.72</u>	<u>(2.18)</u>	<u>(126.7)</u>

The closure of plants in Q1’20 coupled with the impact on supply and demand on the Group’s production due to the COVID-19 pandemic resulted in revenue for the quarter decreasing 23.4% to S\$33.9 million in Q1’20 from S\$44.2 million in Q1’19.

The Group’s operating loss was contained by various cost-cutting measures and business efficiency improvements. InnoTek suffered loss from the investment portfolio following the unfavorable financial market condition as a result of COVID-19 which was partially offset by exchange gain due to the weakening of the Singapore dollar.

- 4) COVID-19 will have a significant impact on the economy outside China; it will continue to have a significant impact on the Group’s Q2’20 performance. The Board will continue to monitor the situation closely and will make the appropriate announcement(s) on any material developments as and when they arise.

By Order of the Board

Linda Sim Hwee Ai

Company Secretary