



InnoTek Limited

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InnoTek Records Net Profit of S\$16.7 Million in FY2019 In Fourth Year of Profitability; Proposes Dividend of 1.5 Singapore Cents

S\$'000	Q4'19	Q4'18	Change %	FY'19	FY'18	Change %
Revenue	50,989	55,815	(8.64)	186,721	218,299	(14.5)
Gross Profit	10,415	12,112	(13.6)	40,765	46,726	(12.7)
Gross Profit margin (%)	20.4	21.7	(1.3) ppt*	21.8	21.4	0.4 ppt*
Profit before Tax	4,566	8,518	(44.0)	19,355	23,345	(17.1)
Net Profit	4,250	7,287	(41.7)	16,658	20,239	(17.7)
Earnings Per Share (Singapore cents)	1.88	3.22	(41.6)	7.36	8.98	(18.0)

* ppt denotes percentage points

SINGAPORE, 28 February 2020 – Singapore Exchange Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) has proposed a first and final dividend of 1.5 Singapore cents per share for the year ended 31 December 2019 (“FY2019”), after announcing a net profit of S\$16.7 million, its fourth consecutive year of profitability.

The precision metal components manufacturer said net profit in FY2019 declined 17.7% from a year ago due to lower revenue recorded for its business segments amidst weaker economic sentiment and the impact of the U.S.-China ‘trade war’.

Revenue in FY2019 declined to S\$186.7 million from S\$218.3 million in FY2018. The automobile sector, the main contributor, continues to grapple with the impact of the economic slowdown as well as new emissions standards which have led customers to adjust their production cycles.

The Group’s precision machining segment saw lower orders for TV bezels under 55 inches, as the market shifts from metal to plastic, while commercial display products and heatsinks are reaching their end-of-life in the production cycle. That said, demand for bezels for larger panels is continuing, and the Group has secured new orders for the latter.

The Group’s gross profit margin rose to 21.8% in FY2019 from 21.4% a year ago, reflecting its continued cost reduction and productivity initiatives.

For the quarter ended 31 December 2019 (“Q4’19”), the Group’s revenue declined to S\$51.0 million from S\$55.8 million in Q4’18. In line with this, net profit declined to S\$4.3 million from S\$7.3 million over the comparative periods.

Earnings per share for FY2019 came to 7.36 Singapore cents, down from 8.98 Singapore cents for the previous year FY2018.

Despite the lower net profit, InnoTek has proposed a first and final dividend of 1.5 Singapore cents per share for FY2019. The total amount remains unchanged from FY2018, when the Group issued a first and final dividend of 1.0 Singapore cent per share, and a special dividend of 0.5 Singapore cent per share.

Mr Lou Yiliang, Chief Executive Officer of InnoTek, said: “We have managed to close another year in profit despite a challenging year. Mansfield Thailand, our first plant outside of China, has also commenced mass production in January 2020 to support a major OA customer. Our proposed dividend of 1.5 cents per share reflects our commitment to deliver value to our loyal shareholders.”

“Going forward, the Covid-19 outbreak has had a significant negative impact on China’s economy. It is not known when the outbreak will end and its impact on China’s economy is still uncertain. The Group is making every effort in outbreak prevention while remaining committed to delivery to customers. However, if China’s economy continues to weaken in the short term, the Group’s revenue and profits will be impacted. Business operating environment is expected to be challenging in 2020,” Mr Lou added.

End of Release

About InnoTek Limited

Singapore Exchange Mainboard-listed InnoTek Limited is a precision metal components manufacturer serving the consumer electronics, office automation and automotive industries. With five manufacturing facilities in the PRC and one facility in Rayong, Thailand, the Group’s wholly owned subsidiary, Mansfield Manufacturing Company Limited, provides precision metal stamping, commercial tool and die fabrications and precision machining works to a strong and diversified base of international end-customers.

For more information, visit: www.innotek.com.sg

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