

**8 PART 1 - INFORMATION REQUIRED FOR HALF-YEAR and FULL-YEAR ANNOUNCEMENTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

*For the 6 months ended 30 June 2023*

Group	Note	6 Months Ended 30-Jun		Change %
		2023 S\$'000	2022 S\$'000	
<b>Revenue</b>		<b>92,861</b>	<b>84,441</b>	<b>10.0</b>
Cost of sales	1(e)6.1(a)	(77,202)	(72,882)	5.9
<b>Gross profit</b>		<b>15,659</b>	<b>11,559</b>	<b>35.5</b>
<b>Other items of expense</b>				
Selling and distribution expenses		(1,507)	(1,640)	(8.1)
Administrative expenses	1(e)6.1(b)	(12,237)	(12,798)	(4.4)
Finance costs		(1,066)	(1,182)	(9.8)
Other expenses	1(e)6.1(c)	(276)	(829)	(66.7)
Share of results of joint venture		(128)	(151)	(15.2)
Total other items of expense		(15,214)	(16,600)	(8.3)
<b>Other items of income</b>				
Interest income		568	401	41.6
Other income	1(e)6.1(c)	2,798	2,995	(6.6)
Total other items of income		3,366	3,396	(0.9)
<b>Profit/(loss) before tax</b>		<b>3,811</b>	<b>(1,645)</b>	<b>NM</b>
Income tax expense	1(e)7	(705)	(23)	NM
<b>Profit/(loss) net of tax, net of tax</b>		<b>3,106</b>	<b>(1,668)</b>	<b>NM</b>
Profit/(loss) attributable to :				
- Owners of the company		3,439	(1,668)	NM
- Non-controlling interest		(333)	-	NM
<b>Other comprehensive income :</b>				
<u>Items that may be classified subsequently to profit or loss</u>				
- Foreign currency translation		(3,763)	(2,253)	NM
- Fair value gain/(loss) on financial assets measured at fair value through other comprehensive income ("FVOCI")		359	(442)	NM
<b>Other comprehensive income for the period , net of tax</b>		<b>(3,404)</b>	<b>(2,695)</b>	<b>NM</b>
<b>Total comprehensive income</b>		<b>(298)</b>	<b>(4,363)</b>	<b>NM</b>
Comprehensive income attributable to :				
- Owners of the company		40	(4,363)	NM
- Non-controlling interest		(338)	-	NM
<b>Earnings per share attributable to owners of the Company (cents per share)</b>				
<b>Basic</b>	<b>Note 9.1</b>	<b>1.49</b>	<b>(0.72)</b>	<b>NM</b>
<b>Diluted</b>	<b>Note 9.1</b>	<b>1.49</b>	<b>(0.72)</b>	<b>NM</b>
NM denotes Not Meaningful				

1(b) A statement of financial position (for the issuer and the Group), together with a comparative statement at the end of the immediately preceding financial year

**BALANCE SHEETS (UNAUDITED)**

Note	Group		Company	
	As at 30-Jun-23 S\$'000	As at 31-Dec-22 S\$'000	As at 30-Jun-23 S\$'000	As at 31-Dec-22 S\$'000
<b>Non-current Assets</b>				
Property, plant and equipment	34,476	31,125	-	-
Investment properties	25,978	26,859	-	-
Intangible assets	395	473	-	-
Investment in subsidiary	-	-	47,061	47,061
Loan to subsidiary	-	-	10,000	10,000
Investment in joint venture	972	1,146	-	-
Right-of-use assets	17,826	18,554	33	54
Other receivables	1,578	1,224	-	-
Deferred tax assets	1,683	1,726	-	-
	82,908	81,107	57,094	57,115
<b>Current Assets</b>				
Inventories	38,534	41,771	-	-
Trade and other receivables	63,213	54,258	859	3,176
Income tax receivable	282	283	-	-
Contract assets	2,508	616	-	-
Prepayments	4,379	2,888	12	42
Other investments	1(e)(5)(A)(i) 22,586	18,482	19,691	18,482
Cash and short-term deposits	1(e)(5)(A)(ii) 38,103	58,978	15,740	19,061
	169,605	177,276	36,302	40,761
<b>Total Assets</b>	252,513	258,383	93,396	97,876
<b>Current Liabilities</b>				
Lease liabilities	1(e)(5)(B) 5,501	4,738	34	45
Trade and other payables	50,393	54,418	521	499
Contract liabilities	5,298	3,519	-	-
Provisions	5	5	-	-
Income tax payable	2,634	2,080	32	55
	63,831	64,760	587	599
<b>Net Current Assets</b>	105,774	112,516	35,715	40,162
<b>Non-current Liabilities</b>				
Provisions	414	437	-	-
Lease liabilities	1(e)(5)(B) 12,822	14,263	-	10
Deferred tax liabilities	2,157	2,220	45	45
	15,393	16,920	45	55
<b>Total Liabilities</b>	79,224	81,680	632	654
<b>Net Assets</b>	173,289	176,703	92,764	97,222
Share capital	98,021	98,021	98,021	98,021
Treasury shares	1(d)(ii) (b) (8,855)	(8,855)	(8,855)	(8,855)
Retained earnings	86,749	88,146	4,360	9,177
Other reserves	(3,798)	(609)	(762)	(1,121)
Equity attributable to owners of the Company	172,117	176,703	92,764	97,222
Equity attributable to Non-Controlling Interest	1,172	-	-	-
<b>Total Equity</b>	173,289	176,703	92,764	97,222

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

GROUP	Note	6 Months Ended	
		2023	2022
		S\$'000	S\$'000
<b>Operating activities :</b>			
Profit/(loss) before tax		3,811	(1,645)
Adjustments for:			
Depreciation of property, plant and equipment		2,565	2,832
Amortisation of intangible assets		90	103
Depreciation of right-of-use assets		2,792	2,738
Net (gain)/loss on disposal of PPE and intangible assets		(25)	56
Net loss on disposal of other investments		190	13
Net fair value gain on investment securities		70	3
Interest expense		1,066	1,182
Interest income		(568)	(401)
(Reversal)/provision for inventory obsolescence		(31)	96
Exchange differences		(1,292)	(950)
Share of results of joint venture		128	151
Share-based payment		-	306
Provision/(reversal) for severance benefits and restructuring expenses		4	(11)
Dividend income from other investments		(156)	(164)
Total adjustment items		<u>4,833</u>	<u>5,954</u>
<b>Operating cash flows before changes in working capital</b>		<b>8,644</b>	<b>4,309</b>
<b>Changes in working capital</b>			
Increase in trade and other receivables and contract assets		(10,788)	(3,591)
Decrease/(increase) in inventories		3,283	(3,983)
Increase in prepayments		(1,072)	(291)
(Increase)/decrease in trade and other payables and contract liabilities		(2,773)	681
Increase in provision		(12)	-
		<u>(11,362)</u>	<u>(7,184)</u>
<b>Cash flow from operations</b>		<b>(2,718)</b>	<b>(2,875)</b>
Interest paid		(1,066)	(1,182)
Interest received		586	422
Income taxes paid		(70)	(20)
		<u>(550)</u>	<u>(780)</u>
<b>Net cash used in operating activities</b>		<b>(3,268)</b>	<b>(3,655)</b>

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) – Cont'd**

GROUP	Note	6 Months Ended 30-Jun	
		2023 S\$'000	2022 S\$'000
<b>Net cash used in operating activities</b>		<u>(3,268)</u>	<u>(3,655)</u>
<b>Investing activities :</b>			
Purchase of property, plant and equipment ("PPE")		(2,442)	(3,739)
Deposit (paid)/utilised for PPE		(419)	491
Proceeds from disposal of PPE		42	45
Additions to intangible assets		(16)	(16)
Proceeds from disposal of other investments		2,982	2,541
Purchase of other investments		(4,111)	(2,248)
Dividend from other investments		156	164
Acquisition of subsidiary		(3,131)	-
Decrease/(increase) in bank balance under portfolio investment management		832	(583)
Increase in structured deposit		(2,896)	(3,389)
<b>Net cash flows used in investing activities</b>		<u>(9,003)</u>	<u>(6,734)</u>
<b>Financing activities :</b>			
Proceeds from exercise of share options		-	1,050
Repayment of bank loans		-	(231)
Repayment of principal portion of lease liabilities		(2,631)	(2,225)
Dividend paid on ordinary shares by the company		(4,626)	(4,627)
<b>Net cash used in financing activities</b>		<u>(7,257)</u>	<u>(6,033)</u>
<b>Net change in cash and cash equivalents</b>		(19,528)	(16,422)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		(514)	(99)
<b>Cash and cash equivalents as at beginning of period</b>		56,806	69,762
<b>Cash and cash equivalents as at end of period</b>	5(A)(ii)	<u>36,764</u>	<u>53,241</u>

1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**STATEMENT IN CHANGES IN EQUITY (UNAUDITED)**

GROUP	Total Equity S\$'000	Attributable to owners of the Group										Non-controlling interest
		Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Share Option Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Statutory Reserve S\$'000	Fair Value Reserve of Financial Assets at FVOCI S\$'000	Asset Revaluation Reserve S\$'000	Gain or Loss on Reissuance of Treasury Shares S\$'000	Total Other Reserve S\$'000	
<b>2023</b>												
Balance at 1 January 2023	176,703	98,021	(8,855)	88,146	1,228	(8,686)	6,648	(643)	2,550	(1,706)	(609)	-
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,510
Profit for January-June 2023	3,106	-	-	3,439	-	-	-	-	-	-	-	(333)
Other comprehensive income												
- Foreign currency translation	(3,763)	-	-	-	-	(3,758)	-	-	-	-	(3,758)	(5)
- Fair value gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	359	-	-	-	-	-	-	359	-	-	359	-
Total comprehensive income	(298)	-	-	3,439	-	(3,758)	-	359	-	-	(3,399)	1,172
Contribution by and distribution to owners												
- Dividends on ordinary shares	(4,626)	-	-	(4,626)	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(4,626)	-	-	(4,626)	-	-	-	-	-	-	-	-
Others												
- Transfer to statutory reserve ( Note (i) )	-	-	-	(210)	-	-	210	-	-	-	210	-
Balance at 30 June 2023	171,779	98,021	(8,855)	86,749	1,228	(12,444)	6,858	(284)	2,550	(1,706)	(3,798)	1,172
<b>2022</b>												
Balance at 1 January 2022	189,843	98,021	(10,586)	90,558	1,087	2,902	6,608	94	2,550	(1,391)	11,850	-
Loss for January-June 2022	(1,668)	-	-	(1,668)	-	-	-	-	-	-	-	-
Other comprehensive income												
- Foreign currency translation	(2,253)	-	-	-	-	(2,253)	-	-	-	-	(2,253)	-
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(442)	-	-	-	-	-	-	(442)	-	-	(442)	-
Other comprehensive income	(2,695)	-	-	-	-	(2,253)	-	(442)	-	-	(2,695)	-
Total comprehensive income	(4,363)	-	-	(1,668)	-	(2,253)	-	(442)	-	-	(2,695)	-
Contribution by and distribution to owners												
- Grant of equity-settled share options to employees	307	-	-	-	307	-	-	-	-	-	307	-
- Treasury shares issued pursuant to employee share option plan	1,051	-	1,731	-	(366)	-	-	-	-	(314)	(680)	-
- Dividends on ordinary shares	(4,627)	-	-	(4,627)	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,269)	-	1,731	(4,627)	(59)	-	-	-	-	(314)	(373)	-
Balance at 30 June 2022	182,211	98,021	(8,855)	84,263	1,028	649	6,608	(348)	2,550	(1,705)	8,782	-

Note (i): In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, such subsidiaries are required to make an appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the accumulative total of the SRF reaches 50% of

the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

### STATEMENT IN CHANGES IN EQUITY (UNAUDITED) – Cont'd

COMPANY	Total Equity S\$'000	Attributable to owners of the Company						
		Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Share Option Reserve S\$'000	Fair Value Reserve of Financial Assets at FVOCI S\$'000	Gain or Loss on Reissuance of Treasury Shares S\$'000	Total Other Reserve S\$'000
<b>2023</b>								
Balance at 1 January 2023	97,222	98,021	(8,855)	9,177	1,228	(643)	(1,706)	(1,121)
Loss for January-June 2023	(191)	-	-	(191)	-	-	-	-
Other comprehensive income								
- Fair value (loss)/gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	359	-	-	-	-	359	-	359
Other comprehensive income	359	-	-	-	-	359	-	359
Total comprehensive income	168	-	-	(191)	-	359	-	359
Contribution by and distribution to owners								
- Dividends on ordinary shares	(4,626)	-	-	(4,626)	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(4,626)	-	-	(4,626)	-	-	-	-
Balance at 30 June 2023	92,764	98,021	(8,855)	4,360	1,228	(284)	(1,706)	(762)
<b>2022</b>								
Balance at 1 January 2022	94,800	98,021	(10,586)	7,575	1,087	94	(1,391)	(210)
Loss for January-June 2022	(421)	-	-	(421)	-	-	-	-
Other comprehensive income								
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(442)	-	-	-	-	(442)	-	(442)
Other comprehensive income	(442)	-	-	-	-	(442)	-	(442)
Total comprehensive income	(863)	-	-	(421)	-	(442)	-	(442)
Contribution by and distribution to owners								
- Treasury shares reissued pursuant to employee share option plan	1,051	-	1,731	-	(366)	-	(314)	(680)
- Grant of equity-settled share options to employees	307	-	-	-	307	-	-	307
- Dividends on ordinary shares	(4,627)	-	-	(4,627)	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,269)	-	1,731	(4,627)	(59)	-	(314)	(373)
Balance at 30 June 2022	90,668	98,021	(8,855)	2,527	1,028	(348)	(1,705)	(1,025)

**1(d)(ii) Details of any changes in the company's share capital arising from the rights issue, bonus issue, subdivision, consolidation, share buy-backs, the exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for the acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	As at 30 June 2023		As at 31 December 2022	
	No. of Shares	Amount S\$'000	No. of Shares	Amount S\$'000
Number of issued ordinary shares	246,656,428	98,021	246,656,428	98,021

**(b) Number of shares that may be issued on conversion of all outstanding options are as follows:-**

Options granted under the InnoTek Employees' Share Option Scheme II \*

	As at 30 June 2023		As at 31 December 2022	
	Outstanding at 1 January	8,000,000		11,300,000
Exercised *	-		(3,000,000)	
Cancelled	-		(300,000)	
Options granted under the InnoTek Employees' Share Option Scheme II *	8,000,000		8,000,000	

\* On 8 March 2022, Mr. Lou Yiliang exercised 3,000,000 of his share options and 3,000,000 treasury shares were issued, increasing the total number of issued shares net of treasury shares to 231,305,428 from 228,305,428.

**(c) Treasury shares**

	No. of Shares	Amount S\$'000
Balance as at 31 December 2022 and 30 June 2023	15,351,000	8,855

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 30 June 2023		As at 31 December 2022	
	No of shares '000	S\$'000	No of shares '000	S\$'000
Total number of issued shares at end of the period	231,305	89,166	246,656	98,021
Number of treasury shares at end of the period	-	-	(15,351)	(8,855)
Net number of issued shares at end of the period	231,305	89,166	231,305	89,166

**1(d)(iv) A statement showing all sales, transfers, cancellations, and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellations, and/or use of subsidiary holdings as of the current financial period.

**1(d)(v) A statement showing all sales, transfers, cancellations, and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellations, and/or use of subsidiary holdings as of the current financial period.

## 1(e) Notes to the consolidated financial statements

### 1. Corporate information

InnoTek Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The registered office and principal place of business of the Company is located at 160 Robinson Road, #24-12 SBF Center, Singapore 068914. The principal activity of the Company is investment holding.

The principal activities of the Group are:

- (a) Manufacturing and sales of precision component stamping and tooling products
- (b) Manufacturing and sales of precision machining products
- (c) Investment holding

### 2. Basis of preparation

The Group and the Company prepared the consolidated financial statements under Rule 705 in accordance with Appendix 7.2 and also in accordance with the relevant accounting standards for *interim* financial reporting under SFRS(I).

The accounting policies and method of computation adopted are consistent with those of the previous financial year's audited financial statements which were prepared in accordance with SFRS(I), except for changes, if any, as set out in Note 2.1.

The *interim* consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements. The consolidated financial statements are prepared in Singapore dollars, which is the Company's functional currency.

#### 2.1 Changes in accounting policies and method of computation, if any, giving reasons and impact of the changes.

There are no new accounting standards adopted by the Group and no changes in the accounting policies and method of computation.

#### 2.2 Uses of judgments and estimates

The preparation of the Group's *interim* consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

##### • Fair value of investment properties

Investment properties are valued only once at the end of each financial year unless unfavorable economic situations warrant a special valuation exercise. In preparing the *interim* consolidated financial statements, it is assumed that the fair value of investment properties does not change as at the end of the previous fiscal year-end.

##### • Impairment/reversal of property, plant, and equipment, and right-of-use assets

The carrying amounts of items of property, plant, and equipment, and right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying amounts may not be recoverable. Such reviews will only be done at the end of each financial year unless unfavourable circumstances warrant a special review exercise in the preparation of the *interim* consolidated financial statements.

### 3. Seasonal operations

The Group's businesses are generally affected by the long Chinese New Year and China Labor Day holidays in China during the first half of each financial year.

### 4. Segment and revenue information

The Group is organised into business units based on its products and services, and has three reportable operating segments as follows:

- I. The precision components and tooling segment specialises in sales of stamping components, tooling design, and fabrication
- II. The precision machining segment specialises in the machining of products mainly from the TV and office automation industries.
- III. The corporate and others segment is involved in group-level corporate services and treasury functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.



**4.1 Reportable Segments  
By Business Segment (Group Figures S\$'000)s**

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Machining		Adjustments and eliminations		Total							
	1H'23	1H'22	1H'23	1H'22	1H'23	1H'22	1H'23	1H'22	1H'23	1H'22	1H'23	1H'22	1H'23	1H'22
<b>Business Segments</b>														
<b>Revenue</b>														
External customers	78,026	68,400	14,835	16,041	-	-	92,861	84,441	-	-	-	-	92,861	84,441
Inter-segment	40,285	35,301	289	21	(40,574)	(35,322)	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>118,311</b>	<b>103,701</b>	<b>15,124</b>	<b>16,062</b>	<b>(40,574)</b>	<b>(35,322)</b>	<b>92,861</b>	<b>84,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,861</b>	<b>84,441</b>
<b>Results</b>														
External interest income	95	127	2	2	-	-	97	129	471	272	-	-	568	401
Inter-segment interest income	-	-	-	-	-	-	-	-	256	-	(256)	-	-	-
Inter-segment interest expense	(256)	-	-	-	-	-	(256)	-	-	-	256	-	-	-
Depreciation and amortisation	(3,879)	(3,784)	(1,546)	(1,867)	-	-	(5,425)	(5,651)	(22)	(22)	-	-	(5,447)	(5,673)
Dividend income from other investments	-	-	-	-	-	-	-	-	156	164	-	-	156	164
Gain/(loss) on disposal of PPE	25	41	-	(97)	-	-	25	(56)	-	-	-	-	25	(56)
Foreign currency gain/(loss)	347	154	482	245	-	-	829	399	(12)	22	-	-	817	421
Rental income	538	607	837	831	-	-	1,375	1,438	-	-	-	-	1,375	1,438
Share of joint venture losses	(128)	(151)	-	-	-	-	(128)	(151)	-	-	-	-	(128)	(151)
Finance costs	(793)	(1,058)	(272)	(123)	-	-	(1,065)	(1,181)	(1)	(1)	-	-	(1,066)	(1,182)
Other non-cash (gain)/expenses	36	(289)	(6)	(113)	-	-	30	(402)	(259)	(17)	-	-	(229)	(419)
Segment profit/(loss) before tax	2,737	385	1,263	(1,633)	-	-	4,000	(1,248)	(189)	(397)	-	-	3,811	(1,645)
Income tax credit/(expenses)	-	-	(705)	-	-	-	(705)	-	-	(23)	-	-	(705)	(23)
<b>Assets</b>														
Investment in joint venture	972	1,318	-	-	-	-	972	1,318	-	-	-	-	972	1,318
Additions to non-current assets	2,016	2,914	440	839	-	-	2,456	3,753	-	-	-	-	2,456	3,753
<b>Segment assets</b>	<b>157,481</b>	<b>151,856</b>	<b>59,523</b>	<b>61,398</b>	<b>-</b>	<b>-</b>	<b>217,004</b>	<b>213,254</b>	<b>35,509</b>	<b>43,909</b>	<b>-</b>	<b>-</b>	<b>252,513</b>	<b>257,163</b>
<b>Liabilities</b>	<b>60,151</b>	<b>59,929</b>	<b>18,442</b>	<b>14,361</b>	<b>-</b>	<b>-</b>	<b>78,593</b>	<b>74,290</b>	<b>631</b>	<b>662</b>	<b>-</b>	<b>-</b>	<b>79,224</b>	<b>74,952</b>

## 4.2 Revenue and non-current assets

By Geographical Location (Group Figures S\$'000)

	Revenue		Non-current Assets	
	6 Months Ended		As at	
	30-Jun-23	30-Jun-22	30-Jun-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Hong Kong / PRC	87,751	79,650	65,912	71,070
Thailand	3,304	2,592	4,631	4,295
Vietnam	1,806	2,199	10,652	3,961
Singapore	-	-	32	54
<b>Total</b>	<b>92,861</b>	<b>84,441</b>	<b>81,227</b>	<b>79,380</b>

Non-current assets consist of property, plant, and equipment ("PPE"), right-of-use assets, investment properties, intangible assets, investment in the joint venture, deposit paid for PPE and non-current other receivables as presented in the balance sheet.

## 4.3 A breakdown of sales

	Latest Period S\$'000	Previous Period S\$'000	% Increase/ (decrease)
(a) Sales reported for 1H of the financial year	92,861	84,441	10.0
(b) Profit/(loss) net of tax	3,106	(1,668)	NM
attributable to :			
(i) Owners of the Company	3,439	(1,668)	NM
(ii) Non-controlling interest	(333)	-	NM

## 5. Financial assets and financial liabilities

	Note	Fair Value Hierarchy Level	Group		Company	
			As at 30-Jun-23	As at 31-Dec-22	As at 30-Jun-23	As at 31-Dec-22
			S\$'000	S\$'000	S\$'000	S\$'000
<b>(A) Financial assets</b>						
<b>(i) Other investment</b>						
<u>At fair value through profit or loss ("FVPL")</u>						
Equity securities (quoted)	1	1	6,273	5,675	6,273	5,675
Unquoted structured deposits	(ii)	2	2,895	-	-	-
<u>At fair value through other comprehensive income ("FVOCI")</u>						
Debt securities (quoted)	1	1	13,418	12,807	13,418	12,807
			<b>22,586</b>	<b>18,482</b>	<b>19,691</b>	<b>18,482</b>
<b>(ii) Cash and short-term deposits</b>						
Cash and bank balance			24,515	41,184	2,152	1,267
Short-term deposits			12,249	15,622	12,249	15,622
Cash and cash equivalents per cashflow statements	(i)		36,764	56,806	14,401	16,889
Cash and bank balance under investment portfolio			1,339	2,172	1,339	2,172
<b>Total cash and short-term deposits per balance sheet</b>			<b>38,103</b>	<b>58,978</b>	<b>15,740</b>	<b>19,061</b>

- (i) The decrease in cash and cash equivalents as of 30 June 2023 was due mainly to cash used in operating activities, as well as deposits into structured deposits, purchase of other investments and PPE, and payment of dividends to shareholders.
- (ii) Unquoted structured deposits are valued using valuation techniques with market observable inputs including the rate of return of the instruments.

**(B) Financial liabilities**

Below showed the aggregate amount of Group's borrowings and debt securities

	Note	Group		Company	
		As at	As at	As at	As at
		30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Amount repayable in one year or less, on demand</b>					
Lease liabilities		5,501	4,738	34	45
		<b>5,501</b>	<b>4,738</b>	<b>34</b>	<b>45</b>
<b>Amount repayable after one year</b>					
Lease liabilities		12,822	14,263	-	10
		<b>12,822</b>	<b>14,263</b>	<b>-</b>	<b>10</b>
<b>Total</b>		<b>18,323</b>	<b>19,001</b>	<b>34</b>	<b>55</b>

**6. Significant items and major variances explanations relating to:****6.1 Profit/(loss) before tax**

	Note	6 Months Ended	
		30-Jun	
		2023	2022
		S\$'000	S\$'000
(a) Major items included in cost of sales are :			
- Inventories recognised as an expense in cost of sales	6.1(a)	(44,456)	(39,191)
- Provision for inventory obsolescence		31	(96)
- Depreciation of property, plant and equipment ("PPE")		(1,929)	(2,052)
- Depreciation of right-of-use assets		(2,373)	(2,141)
- Wages and salaries	6.1(b)	(17,027)	(16,377)
(b) Major items included in administrative expenses are :			
- Depreciation of PPE		(636)	(780)
- Amortisation of intangible assets		(90)	(103)
- Depreciation of right-of-use assets		(419)	(597)
- Rental expense		(136)	(111)
- Wages and salaries	6.1(b)	(7,102)	(7,295)
(c) Major items included in other expenses and other income are :			
- Items related to Investment Portfolio			
Fair value("FV") loss for equities		(70)	(3)
FV gain/(loss) for bonds (through other comprehensive income) *		359	(442)
Net loss on disposal of other investments		(190)	(13)
Dividend income from other investment		156	164
Interest income from investment bonds		229	229
Total gain/(loss) for investment portfolio		<u>484</u>	<u>(65)</u>
* FV (gain)/loss of debt instruments through other comprehensive income		<u>(359)</u>	<u>442</u>
Gain for investment portfolio through income statement		<u>125</u>	<u>377</u>
- Foreign currency gain		817	421
- Property rental income		1,375	1,438

(a) The Group recorded higher material costs, despite lower prices for key raw materials such as steel and aluminum, mainly due to higher sales and product mix.

(b) The Company was able to keep labor costs low by optimizing production processes. However, the establishment of a new joint venture in Vietnam resulted in additional expenses.

7. **Taxation**

The Group makes or adjusts the tax provision for the period's income tax based on the relevant tax rates applied to the period's earnings. The major components of income tax expense in the Consolidated Statement of Comprehensive income are:

GROUP	6 Months Ended	
	30-Jun	
	2023	2022
	S\$'000	S\$'000
Current income tax expense	(705)	(23)
<b>Total tax expense</b>	<b>(705)</b>	<b>(23)</b>

8. **Dividend paid**

GROUP	6 Months Ended	
	30-Jun	
	2023	2022
Ordinary dividends paid (S\$'000)	4,626	4,627
Dividend per share (net of tax) in S\$	0.020	0.020

9. **Earning and net assets value per ordinary share**

9.1 **Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Earning per ordinary share of the Group based on net earnings attributable to the shareholders of the Company :	6 Months Ended	
	30-Jun	
	2023	2022
(i) Based on the weighted average number of shares ( in cents )		
Earnings per share	1.49	(0.72)
Weighted average number of shares ( '000)	231,305	228,240
(ii) On a fully diluted basis ( in cents )		
Earnings per share	1.49	(0.72)
Adjusted weighted average number of shares ( '000)	231,305	232,083

9.2 **Net assets value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; (b) immediately preceding financial year**

	Group		Company	
	As at 30-Jun-23	As at 31-Dec-22	As at 30-Jun-23	As at 31-Dec-22
Net assets backing per ordinary share based on the total number of issued share excluding treasury shares as at the end of the period reported on	74.9 cents	76.4 cents	40.1 cents	42.0 cents

**1(f) Other Information Required by Listing Rule Appendix 7.2**

**1. Whether the figures have been audited, or reviewed and in accordance with the standard (e.g. The Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by auditors.

**1.1 Whether the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).**

The figures have not been audited or reviewed by auditors.

**1.1.A. Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve outstanding audit issues (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concerned**

There are no adverse opinions, qualified opinions, or disclaimers of opinion.

**2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group business. The review must discuss any significant factors that affected the turnover costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital assets, or liabilities of the Group during the current financial period reported on**

**(A) Review for the first half ended 30 June 2023 (1H'23)**

**Turnover (1H'23 vs 1H'22)**

The Group's revenue for January to June 2023 ("1H'23") increased by S\$8.5 million or 10.0% to S\$92.9 million from S\$84.4 million a year ago, mainly due to:

- (1) Higher order flows from key Office Automation (OA) customers and new projects secured, driven by market recovery as corporations refreshed their office solutions amid a return to office post-pandemic. In addition, business momentum for the sub-assembly business continued to grow.
- (2) Higher revenue contribution from other businesses. Demand for gaming machines has rebounded sharply; meanwhile, the Group has commenced mass production of newly developed high-end Graphics Processing Unit (GPU) servers used for Artificial Intelligence applications.

**The increase was also offset by:**

- (3) Lower sales in the Automotive business arising from the uncertainties in the Chinese market caused by the price war, strong EV penetration, loss of market share for foreign brands, and delayed orders from overseas customers.
- (4) A decline in the TV and Display segment, mainly due to sluggish demand from the European market, coupled with lower demand as customers digest inventory holdings. The decline was partially mitigated by new product launches, which drove higher sales.

**Net profit (1H'23 vs 1H'22)**

The Group reported S\$3.1 million in net profit for January to June 2023 ("1H'23"), compared to the S\$1.7 million net loss a year ago. This reversal was mainly due to:

**Favourable variance: -**

- (1) The gross profit margin rose to 16.9% in 1H'23 from 13.7% in the same period last year. This improvement was primarily attributed to:-
  - a. Higher revenue, driven by a significant rise in tooling sales.
  - b. Easing of raw material prices post-pandemic.
  - c. Improved production efficiency after the easing of pandemic restrictions in China.
  - d. Better yields and lower scrap rates through enhanced production processes and quality control.

Offset by unfavourable variance: -

(2) The Group's newly-established joint venture in Vietnam recorded a loss due to start-up costs.

**3. A forecast, or projected statement, has been previously disclosed to shareholders, and any variance between it and the actual results**

No forecast or projected statement has been previously disclosed to shareholders.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The Group's financial performance improved in 1H'23 despite China's lower-than-expected economic recovery post-pandemic. This reflected the success of its diversification strategy and efforts to move up the value chain.

In the OA sector, the Group has secured new projects and higher order flows from existing customers, as COVID restrictions in China eased. The short-term boost in demand has offset the medium-to-long-term trend of the shift of manufacturing activities from China to Southeast Asia. In response, InnoTek is moving up the value chain by actively expanding from single-piece manufacturing to sub-assembly.

The Group expects the Automotive landscape to remain challenging in the short term, arising from continued uncertainties in the Chinese and overseas markets.

The Group is adapting its products to suit the strategic product adjustments of its overseas customers while capturing new opportunities to become a strategic partner for EV customers by leveraging its precision stamping expertise.

On the TV/Display front, the Group remains optimistic that its key customers will be able to maintain their market share within the high-end TV segment, despite challenges experienced in the European and American markets in 1H'23. To ensure long-term business sustainability, the Group is prioritising efforts to improve technical capabilities and upgrade products, while maintaining a low-cost structure.

InnoTek's facility in Rayong, Thailand, has been actively enhancing production capacity as it strives to secure new OA orders and strengthen its foothold in the region. In addition, Group's facility in Bac Ninh, Vietnam, has successfully commenced production of TV bezels since the first half of 2023, underscoring the Group's strong execution ability and adaptability.

The Group has also been fortifying its presence in Vietnam with its new joint venture. Specialising in sheet metal processing in addition to metal stamping and tooling fabrication, for financial equipment, EV charging stations, and OA customers, the Group is confident of leveraging its expertise to capture growing demand from customers.

Furthermore, the Group has forged strategic partnerships with customers from emerging industries such as medical equipment, GPU servers for AI applications, gaming machines, etc. The Group expects these upcoming projects to show significant progress throughout the remainder of 2023, positively impacting our overall financial performance.

Meanwhile, the Group remains committed to enhancing Quality, Cost, Delivery, and Service ("QCDS") and implementing effective cost-control measures to remain competitive.

**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the present financial period? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable

**(d) Books closing date**

Not applicable

**5.1 If no dividend has been declared/recommended, a statement to that effect and provide the reasons**

No dividend was declared for the present financial period.

**6 Interested Person Transactions – Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial period which it is required to report on pursuant to the Rule 705.**

**Interested parties transactions for the 6 months ended 30 June 2023**

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> )  S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)  S\$
Dongguan Konge Plastic Mould Co., Ltd (previously known as Dongguan Konka Mould Plastic Co., Ltd)	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	36,432	N/A
Wuhan Grand Mould Plastic Co. Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	538,373	N/A
All Brilliant Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 62.5%	1,953	NA
Auhui KM Technology Co Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	27,608	N/A

The company does not obtain any shareholders' general mandate for interested person transactions.

**7. Negative confirmation pursuant to Rule 705(5). (Not required for an announcement of full-year results)**

The Management confirmed that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company and the Group for the six months ended 30 June 2023 to be false or misleading in any material aspects.

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

9. **Disclosure of a person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director, CEO, and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Okura Ippei	69	Brother of Mr. Lou Yiliang, Executive Director and CEO of the Company	Director of Mansfield Manufacturing Co. Ltd, Hong Kong, a wholly-owned subsidiary of the Company, since 16 December 2015	No change

Signed by Neal Manilal Chandaria, Chairman, and Lou Yiliang, Chief Executive Officer

BY ORDER OF THE BOARD

Lou Yiliang  
Chief Executive Officer  
14 August 2023



