

**InnoTek Records 1H'24 Net Profit of S\$3.1 Million on Higher Turnover;  
Enhances Manufacturing Capabilities to Accelerate Diversification Strategy**

S\$'000	1H'24	1H'23	Change %
Revenue	121,572	92,861	30.9
Gross Profit	17,701	15,659	13.0
Gross Profit Margin (%)	14.6	16.9	(2.3) ppt*
Profit before Tax	3,864	3,811	1.4
Net Profit after Tax	3,120	3,106	0.5
Earnings Per Share (Singapore cents)	1.36	1.49	(8.7)

\* ppt denotes percentage points

**SINGAPORE, 13 August 2024** – InnoTek Limited (“InnoTek” or the “Group”) announced today that it recorded a net profit after tax of S\$3.1 million for the six months ended 30 June 2024 (“1H'24”) while revenue increased by 30.9%, reflecting the Group’s accelerated diversification into new products lines including graphic processing unit servers (“GPUs”), medical devices, and gaming machines.

The SGX Mainboard-listed precision metal components manufacturer reported higher revenue of S\$121.6 million in 1H'24 from S\$92.9 million in 1H'23, which was driven by higher sales in the automotive segment, buoyed by strong demand in China’s Electric Vehicle (“EV”) market and improved overseas sales, despite weaker gasoline car sales of foreign brands in China’s market.

Revenue was also lifted by new projects secured for GPUs, which saw the strongest growth, along with fresh orders for medical devices and ATMs. Sales of tooling and stamping parts, particularly for EV battery components, also contributed to the topline. The TV/Display segment saw increased turnover, despite a soft market in Europe and the U.S., driven by new product launches from key customers and seasonal trends.

However, the office automation (“OA”) segment saw a decline due to persistently weak demand. Similarly, demand for gaming machines experienced a slowdown, partially offsetting the overall revenue increase.

As InnoTek's customer base shifts towards more technologically advanced products such as GPUs, gaming machines, and EV, the Group is installing new machinery at its facilities in China. These include a 3000-tonnage hydraulic press and additional larger-tonnage stamping presses to manufacture EV battery packs and new automotive orders. The Group has added die-casting equipment to expand its products for GPUs and implemented advanced technologies such as intra-mould transfer stamping to increase operational efficiency and automation.

The increased revenue drove gross profit up by 13.0% to S\$17.7 million in 1H'24, compared to S\$15.7 million a year earlier. However, gross profit margin for 1H'24 declined to 14.6% (1H'23: 16.9%), as the Group made higher provisions for inventory obsolescence and unutilised tooling, and as the Group streamlined its customer base to focus on key segments in response to intensified competition in the EV industry.

InnoTek recorded net profit of S\$3.1 million in 1H'24, almost unchanged from 1H'23. In 1H'24, the company faced higher labour costs, in line with increased revenue, along with a provision for doubtful debts.

Earnings per share declined to 1.36 Singapore cents for 1H'24, compared to 1.49 Singapore cents for 1H'23, while net asset value per share rose to 75.2 Singapore cents as at 30 June 2024 from 74.9 cents as at 31 December 2023.

On the outlook, the Group is maintaining high utilisation rates at its main facilities in China, in line with a recovery in the domestic economy which expanded 5.0% in 1H'24, while the manufacturing sector displayed resilience amid increased exports and infrastructure investments, particularly in EV production.

The automotive market is expected to experience short-term volatility due to the shift from gasoline cars towards EV. The Group is leveraging its precision stamping capabilities and realigning its product range to better serve its global Tier 1 customers, while capturing opportunities in the growing EV and EV battery markets.

Meanwhile, the OA segment will continue to engage customers, with a focus on diversifying its manufacturing footprint beyond China into Southeast Asia while maintaining its role as a core supplier in China.

The Group's key TV/Display customers are expected to extend their leadership in the high-end TV market while responding swiftly to demand fluctuations in Europe and the U.S. InnoTek will enhance its technical expertise and optimise costs to remain competitive amid these challenges faced by its customers.

Mansfield Thailand has secured new orders from existing and new OA and automotive customers for 2H'24. Concurrently, Mansfield Vietnam, the Group's wholly-owned subsidiary, recorded a significant year-on-year increase in orders for its TV/Display products. Meanwhile, the Group's 70%-held joint venture in Bac Giang, Vietnam, hopes to achieve break-even in 2H'24.

Given the improved manufacturing capacity and capabilities, combined with the recovery in its market, the Group is cautiously optimistic that its financial performance will continue to improve in 2H'24.

Mr Lou Yiliang, InnoTek's Chief Executive Officer, said: "Against a challenging backdrop, InnoTek's healthy set of results for the first half of 2024 underscores the success of our efforts to broaden our customer base, expand our product portfolio, and diversify our manufacturing footprint into Southeast Asia.

The Group is adding new machinery and upgraded its capabilities to better serve our evolving customer base. Moving forward, we continue to strengthen our ties with our customers while improving QCDS - quality, cost, delivery and service to remain competitive."

**## 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 People's Republic of China, one facility in Thailand, and two facilities in Vietnam. 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](http://www.innotek.com.sg)



# InnoTek Limited

**Company Reg. No. 199508431Z**

12 Woodlands Square, Tower 1, #11-67, Woods Square, S737715

Tel: (65) 6535 0689 Fax: (65) 6533 2680

**InnoTek Limited contact:**

12 Woodlands Square Tower 1

#11-67, Woods Square

Singapore 737715

Tel: (65) 6535 0689

Ivy Neo, [innotek@innotek.com.sg](mailto:innotek@innotek.com.sg)

**Investor Relations contact:**

**WeR1 Consultants Pte Ltd**

1 Raffles Place, #02-01, One Raffles Place Mall

Suite 332, Singapore 048616

Tel: (65) 6721 7161

Isaac Tang, [innotek@wer1.net](mailto:innotek@wer1.net)