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InnoTek Records Revenue of S$102.5 Million in 1H'25 Amid Slower Demand; Incorporates First Malaysian Subsidiary to Broaden Manufacturing Footprint in Southeast Asia

S$'000	1H'25	1H'24	Change %
Revenue	102,549	121,572	(15.6)
Gross Profit	13,937	17,701	(21.3)
Gross Profit Margin (%)	13.6	14.6	(1.0) ppt*
Profit before Tax	804	3,864	(79.2)
Net Profit after Tax	85	3,120	(97.3)
Earnings Per Share (Singapore cents)	0.18	1.36	(86.8)

** ppt denotes percentage points*

SINGAPORE, 13 August 2025 – InnoTek Limited ("InnoTek" or the "Group") announced today lower revenue and net profit for the six months ended 30 June 2025 ("1H'25") amid slower demand, but said it is actively pursuing regional diversification to mitigate risks arising from the recent uncertainties resulting from US-China trade policies.

On 2 May 2025, the SGX Mainboard-listed precision metal components manufacturer, through its wholly-owned subsidiary Mansfield Manufacturing Company Limited, incorporated Mansfield Manufacturing (M) Sdn. Bhd. ("Mansfield Melaka"), in Melaka, Malaysia, marking the Group's first foray into the country.

With operations targeted to commence by the second quarter of 2026, Mansfield Melaka will focus on precision metal stamping, tool and die fabrication, sub-assembly, and assembly operations, and is in active discussions with a key customer looking to shift its operations out of China to Malaysia.

The Melaka subsidiary will increase the Group's points of presence in Southeast Asia to four. Since April 2017, InnoTek has been widening its manufacturing footprint in Thailand and Vietnam. This strategy will open up market opportunities in the region while diversifying production outside China.

1H'25 revenue declined 15.6% to S$102.5 million from S$121.6 million in 1H'24, mainly due to lower sales across all business segments amid softer customer demand due to recent tariffs and trade policies imposed by the U.S. government on goods imported from China.

During the period under review, the TV/Display segment recorded lower order volumes from key customers, amid weak market conditions in the U.S. and European markets. Revenue contribution from the Office Automation ("OA") segment declined, mainly due to lower sales from China's domestic market, partially offset by improved performance in Southeast Asia.

Sales in the GPU server segment were impacted by US-China trade tensions, as well as a change in product model. While the Automotive segment recorded higher sales of electric vehicle ("EV") components, it was offset by a weaker petrol/gasoline vehicle market in China and reduced export sales to the U.S.

The Group recorded 1H'25 gross profit of S$13.9 million, a decline of 21.3% from S$17.7 million in 1H'24, mainly due to the lower topline and a change in product mix. Accordingly, gross profit margin stood at 13.6% in 1H'25, compared to 14.6% in 1H'24. The Group recorded a net profit after tax of S$0.1 million, compared to S$3.1 million a year ago.

Earnings per share declined to 0.18 Singapore cents for 1H'25, compared to 1.36 Singapore cents for 1H'24, while net asset value per share stood at 71.4 Singapore cents as at 30 June 2025, compared to 76.2 Singapore cents as at 31 December 2024.

Despite the challenging operating environment, the Group's balance sheet remains healthy, with net cash of S$54.1 million as at 30 June 2025, which will serve as a strong buffer against macroeconomic headwinds.

On the outlook, the Group remains cautiously optimistic about the long-term growth prospects of its business segments, even as the broader manufacturing sector adjusts to the evolving tariff and trade policies that have affected supply chains globally.

The Group is proactively engaging new customers in AI-related fields, while investing in new product development for GPU server products, such as advanced GPU server chassis and liquid-cooling systems, in response to growing demand across sectors such as artificial intelligence and cloud computing.

The Automotive sector remains volatile amid a transition from petrol/gasoline vehicles to EVs, causing certain projects to reach end-of-life earlier than anticipated. InnoTek is actively expanding the production capacity of its Thailand facility to better serve its global Tier-1 customers and realign its product mix.

In response to the softer outlook for the OA segment amid production relocations and slower business momentum, InnoTek will continue to work closely with its OA customers to maintain project pipelines. Meanwhile, the TV/display segment is expected to remain challenging amid weak demand in the United States and European markets, as well as newly imposed tariffs.

In 1H'25, the Group's Thailand facility delivered higher revenue, having secured new OA and automotive orders from existing and new customers. It recently enhanced its manufacturing capabilities and broadened its customer base, and is constructing an additional building to increase production capacity while strengthening its financial position to support future growth.

In Vietnam, the Group has adjusted production capacity at Mansfield Vietnam Co., Ltd., in line with customer demand. The Group's 70%-held subsidiary, Hua Yuan Sheng Industrial Co., Ltd., is facing a decline in export orders. In view of the low order position, the Group is reviewing restructuring options with the minority shareholder.

Mr Lou Yiliang, Chief Executive Officer of InnoTek, said: "Despite the ongoing trade tariffs and policies announced by the U.S. government, we continue to invest in geographical diversification to capture new business opportunities. In anticipation of a challenging operating environment, we are focused on our expansion strategy while implementing prudent cost discipline. We remain committed to strengthening our long-term competitiveness, in turn adding value to shareholders."

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, one facility in Rayong, Thailand, and two facilities in Bac Ninh Province, 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

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