

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)

Group	Note	6 Months Ended 30-Jun		Change %
		2022 S\$'000	2021 S\$'000	
Revenue		84,441	84,301	0.2
Cost of sales	1(e)6.1(a)	(72,882)	(66,569)	9.5
Gross profit		11,559	17,732	(34.8)
Other items of expense				
Selling and distribution		(1,640)	(1,996)	(17.8)
Administrative expenses	1(e)6.1(b)	(12,798)	(11,775)	8.7
Finance costs		(1,182)	(1,138)	3.9
Other expenses	1(e)6.1(c)	(829)	(69)	1101.4
Share of results of joint venture		(151)	(178)	(15.2)
Total other items of expense		(16,600)	(15,156)	9.5
Other items of income				
Interest income		401	507	(20.9)
Other income	1(e)6.1(c)	2,995	2,181	37.3
Total other items of income		3,396	2,688	26.3
(Loss)/profit before tax		(1,645)	5,264	NM
Income tax (expense)/credit	1(e)7	(23)	1,973	NM
(Loss)/profit for the period attributable to owners of the Company		(1,668)	7,237	NM
Other comprehensive income :				
<u>Items that may be classified subsequently to profit or loss</u>				
- Foreign currency translation		(2,253)	2,497	(190.2)
- Fair value (loss)/gain on financial assets measured at fair value through other comprehensive income ("FVOCI")		(442)	30	NM
Other comprehensive income for the period , net of tax		(2,695)	2,527	NM
Total comprehensive income for the period attributable to owners of the Company		(4,363)	9,764	NM
Earnings per share attributable to owners of the Company (cents per share)				
Basic	Note 9.1	(0.72)	3.17	NM
Diluted	Note 9.1	(0.72)	3.12	NM
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-22 S\$'000	As at 31-Dec-21 S\$'000	As at 30-Jun-22 S\$'000	As at 31-Dec-21 S\$'000
Non-current Assets					
Property, plant and equipment		33,135	33,130	-	-
Investment properties		28,375	28,976	-	-
Intangible assets		471	488	-	-
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture		1,318	1,521	-	-
Right-of-use assets		19,933	22,947	76	98
Other receivables		1,060	1,615	-	-
Deferred tax assets		1,673	1,690	-	-
		85,965	90,367	47,137	47,159
Current Assets					
Inventories		39,607	35,709	-	-
Trade and other receivables		51,080	46,863	389	69
Income tax receivable		292	295	-	-
Contract assets		737	806	-	-
Prepayments		2,098	2,297	12	43
Other investments	1(e)(5)(A)(i)	22,916	20,297	19,528	20,297
Cash and short-term deposits	1(e)(5)(A)(ii)	54,468	70,406	24,265	27,911
		171,198	176,673	44,194	48,320
Total Assets		257,163	267,040	91,331	95,479
Current Liabilities					
Lease liabilities		4,832	4,620	34	55
Trade and other payables		44,976	46,561	499	495
Contract liabilities		4,017	1,751	-	-
Provisions		5	5	-	-
Loans and borrowings	1(e)(5)(B)	394	404	-	-
Income tax payable		2,113	2,163	41	40
		56,337	55,504	574	590
Net Current Assets		114,861	121,169	43,620	47,730
Non-current Liabilities					
Provisions		470	491	-	-
Lease liabilities	1(e)(5)(B)	15,361	18,169	44	44
Loans and borrowings	1(e)(5)(B)	493	707	-	-
Deferred tax liabilities		2,291	2,326	45	45
		18,615	21,693	89	89
Total Liabilities		74,952	77,197	663	679
Net Assets		182,211	189,843	90,668	94,800
Share capital		98,021	98,021	98,021	98,021
Treasury shares	1(d)(ii) (b)	(8,855)	(10,586)	(8,855)	(10,586)
Retained earnings		84,263	90,558	2,527	7,575
Other reserves		8,782	11,850	(1,025)	(210)
Total Equity		182,211	189,843	90,668	94,800

- 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	
		30-Jun	
		2022	2021
		S\$'000	S\$'000
Operating activities :			
(Loss)/profit before tax		(1,645)	5,264
Adjustments for:			
Depreciation of property, plant and equipment		2,832	2,768
Amortisation of intangible assets		103	79
Depreciation of right-of-use assets		2,738	2,533
Loss on disposal of PPE and intangible assets		56	-
Loss on disposal of other investments		13	5
Net fair value loss/(gain) on investment securities		3	(425)
Interest expense		1,182	1,138
Interest income		(401)	(507)
Allowance for inventory obsolescence		96	50
Exchange differences		(950)	902
Share of results of joint venture		151	178
Share-based payments		306	-
Provision for severance benefits and restructuring expenses		(11)	5
Dividend income from other investments		(164)	(106)
Total adjustment items		<u>5,954</u>	<u>6,620</u>
Operating cash flows before changes in working capital		4,309	11,884
<u>Changes in working capital</u>			
(Increase)/decrease in trade and other receivables and contract assets		(3,591)	14,425
Increase in inventories		(3,983)	(8,041)
Increase in prepayments		(291)	(182)
Increase/(decrease) in trade and other payables and contract liabilities		681	(7,066)
		<u>(7,184)</u>	<u>(864)</u>
Cash flow from operations		(2,875)	11,020
Interest paid		(1,182)	(1,138)
Interest received		422	520
Income taxes paid		(20)	(1,637)
		<u>(780)</u>	<u>(2,255)</u>
Net cash (used in)/generated from operating activities		<u>(3,655)</u>	<u>8,765</u>

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) – Cont'd

GROUP	Note	6 Months Ended 30-Jun	
		2022 S\$'000	2021 S\$'000
Net cash (used in)/generated from operating activities		(3,655)	8,765
Investing activities :			
Purchase of property, plant and equipment ("PPE")		(3,739)	(3,575)
Deposit refunded for PPE		491	72
Proceeds from disposal of PPE		45	-
Additions to intangible assets		(16)	(305)
Proceeds from disposal of other investments		2,541	3,960
Purchase of other investments		(2,248)	(4,791)
Dividend from other investments		164	106
(Increase)/decrease in bank balance under portfolio investment management		(583)	570
Increase in structured deposit		(3,389)	(19,271)
Net cash flows used in investing activities		(6,734)	(23,234)
Financing activities :			
Proceeds from exercise of share options		1,050	370
Repayment of bank loans		(231)	(216)
Repayment of principal portion of lease liabilities		(2,225)	(2,002)
Dividend paid on ordinary shares by the company		(4,627)	(4,566)
Net cash used in financing activities		(6,033)	(6,414)
Net change in cash and cash equivalents		(16,422)	(20,883)
Effect of exchange rate changes on cash and cash equivalents		(99)	662
Cash and cash equivalents as at beginning of period		69,762	71,611
Cash and cash equivalents as at end of period	5(A)(ii)	53,241	51,390

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										
		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	
2022												
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)	-	-	-	-	-	-	-	
<u>Other Comprehensive Income</u>												
- 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)	
<u>Contribution by and distribution to owners</u>												
- 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	
2021												
Balance at 1 January 2021	177,945	98,021	(11,739)	84,226	1,192	(1,733)	5,997	195	2,550	(764)	7,437	
Profit for January-June 2021	7,237	-	-	7,237	-	-	-	-	-	-	-	
<u>Other Comprehensive Income</u>												
- Foreign currency translation	2,497	-	-	-	-	2,497	-	-	-	-	2,497	
- Fair value gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	30	-	-	-	-	-	-	30	-	-	30	
Other comprehensive income	2,527	-	-	-	-	2,497	-	30	-	-	2,527	
Total comprehensive Income	9,764	-	-	7,237	-	2,497	-	30	-	-	2,527	
<u>Contribution by and distribution to owners</u>												
- Grant of equity-settled share options to employees	369	-	1,153	-	(157)	-	-	-	-	(627)	(784)	
- Dividends on ordinary shares	(4,566)	-	-	(4,566)	-	-	-	-	-	-	-	
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(4,197)	-	1,153	(4,566)	(157)	-	-	-	-	(627)	(784)	
<u>Others</u>												
- Transfer to statutory reserve (Note (i))	-	-	-	(445)	-	-	445	-	-	-	445	
Balance at 30 June 2021	183,512	98,021	(10,586)	86,452	1,035	764	6,442	225	2,550	(1,391)	9,625	

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
2022								
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)	-	-	-	-
<u>Other Comprehensive Income</u>								
- 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)
<u>Contribution by and distribution to owners</u>								
- 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	90,668	98,021	(8,855)	2,527	1,028	(348)	(1,705)	(1,025)
2021								
Balance at 1 January 2021	91,673	98,021	(11,739)	4,768	1,192	195	(764)	623
Profit for January-June 2021	849	-	-	849	-	-	-	-
<u>Other Comprehensive Income</u>								
- Fair value gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	30	-	-	-	-	30	-	30
Other comprehensive income	30	-	-	-	-	30	-	30
Total comprehensive Income	879	-	-	849	-	30	-	30
<u>Contribution by and distribution to owners</u>								
- Grant of equity-settled share options to employees	369	-	1,153	-	(157)	-	(627)	(784)
- Dividends on ordinary shares	(4,566)	-	-	(4,566)	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(4,197)	-	1,153	(4,566)	(157)	-	(627)	(784)
Balance at 30 June 2021	88,355	98,021	(10,586)	1,051	1,035	225	(1,391)	(131)

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.

(a) Share Capital

	As at 30 June 2022		As at 31 December 2021	
	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 30/6/2022	As at 31/12/2021
Outstanding at 1 January	11,300,000	10,000,000
Exercised *	(3,000,000)	(2,000,000)
Granted	-	3,300,000
Options granted under the InnoTek Employees' Share Option Scheme II *	8,300,000	11,300,000

* On 13 January 2021, Mr. Lou Yiliang exercised 2,000,000 of his share options and 2,000,000 treasury shares were issued, increasing the total number of issued shares net of treasury shares to 228,305,428 from 226,305,428.

* 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 2021	18,351,000	10,586
Treasury shares reissued to Mr. Lou Yiliang on 8 March 2022	(3,000,000)	(1,731)
Balance as at 30 June 2022	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 30/6/2022		As at 30/6/2021	
	No of shares '000	S\$'000	No of shares '000	S\$'000
Total number of issued shares at the end of period	246,656	98,021	246,656	98,021
Number of Treasury Shares at the end of period	(15,351)	(8,855)	(18,351)	(10,586)
Net number of issued shares at the end of period	231,305	89,166	228,305	87,435

1(d)(iv) A statement showing all sales, transfers, cancellation, and/or use of Treasury Shares as at the end of the current financial period reported on.

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.

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

None.

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 unfavorable 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 specializes in sales of stamping components, tooling design, and fabrication
- II. The precision machining segment specializes 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)

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Machining		Adjustments and eliminations		Total							
	1H'22	1H'21	1H'22	1H'21	1H'22	1H'21	1H'22	1H'21	1H'22	1H'21	1H'22	1H'21	1H'22	1H'21
Business Segments														
Revenue														
External customers	68,400	64,318	16,041	19,983	-	-	84,441	84,301	-	-	-	-	84,441	84,301
Inter-segment	35,301	24,829	21	7,793	(35,322)	(32,622)	-	-	-	-	-	-	-	-
Total Revenue	103,701	89,147	16,062	27,776	(35,322)	(32,622)	84,441	84,301	-	-	-	-	84,441	84,301
Results														
External interest income	127	250	2	9	-	-	129	259	272	248	-	-	401	507
Depreciation and amortisation	(3,784)	(3,638)	(1,867)	(1,717)	-	-	(5,651)	(5,355)	(22)	(25)	-	-	(5,673)	(5,380)
Dividend income from other investments	-	-	-	-	-	-	-	-	164	106	-	-	164	106
Gain/(loss) on disposal of PPE	41	-	(97)	-	-	-	(56)	-	-	-	-	-	(56)	-
Foreign currency gain/(loss)	154	(295)	245	(16)	-	-	399	(311)	22	247	-	-	421	(64)
Rental income	607	610	831	786	-	-	1,438	1,396	-	-	-	-	1,438	1,396
Share of joint venture results	(151)	(178)	-	-	-	-	(151)	(178)	-	-	-	-	(151)	(178)
Finance costs	(1,058)	(1,092)	(123)	(45)	-	-	(1,181)	(1,137)	(1)	(1)	-	-	(1,182)	(1,138)
Other non cash expenses	(289)	(50)	(113)	-	-	-	(402)	(50)	(17)	420	-	-	(419)	370
Segment profit/(loss) before tax	385	3,674	(1,633)	1,384	-	-	(1,248)	5,058	(397)	206	-	-	(1,645)	5,264
Income tax credit/(expenses)	-	-	-	1,330	-	-	-	1,330	(23)	643	-	-	(23)	1,973
Assets														
Investment in joint venture	1,318	1,505	-	-	-	-	1,318	1,505	-	-	-	-	1,318	1,505
Additions to non-current assets	2,914	3,653	839	-	-	-	3,753	3,653	-	1	-	-	3,753	3,654
Segment assets	151,856	147,370	61,398	70,199	-	-	213,254	217,569	43,909	41,858	-	-	257,163	259,427
Liabilities	59,929	64,164	14,361	11,188	-	-	74,290	75,352	662	564	-	-	74,952	75,916

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-22	30-Jun-21	30-Jun-22	30-Jun-21
	S\$'000	S\$'000	S\$'000	S\$'000
Hong Kong / PRC	79,650	82,344	76,897	79,337
Thailand / Vietnam	4,791	1,957	7,319	5,067
Singapore	-	-	76	126
Total	84,441	84,301	84,292	84,530

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

	6 Months Ended 30-Jun		% increase/ (decrease)
	2022 S\$'000	2021 S\$'000	
(a) Sales reported for 1H'22	84,441	84,301	0.2
(b) (Loss)/profit after tax before minority interest reported for 1H'22	(1,668)	7,237	NM

5. Financial assets and financial liabilities

	Note	Fair Value Hierarchy Level	Group		Company	
			As at 30-Jun-22	As at 31-Dec-21	As at 30-Jun-22	As at 31-Dec-21
			S\$'000	S\$'000	S\$'000	S\$'000
(A) Financial Assets						
(i) Other investment						
<u>At fair value through profit or loss ("FVPL")</u>						
Equity securities (quoted)		1	6,737	6,737	6,737	6,737
Unquoted structured deposits		(ii)	3,388	-	-	-
<u>At fair value through other comprehensive income ("FVOCL")</u>						
Debt securities (quoted)		1	12,791	13,560	12,791	13,560
			22,916	20,297	19,528	20,297
(ii) Cash and short-term deposit						
Cash and bank balance			32,514	44,563	2,311	2,068
Fixed deposits			20,727	25,199	20,727	25,199
Cash and cash equivalents per cashflow statements		(i)	53,241	69,762	23,038	27,267
Cash and bank balance under investment portfolio			1,227	644	1,227	644
Total Cash and short-term deposits per balance sheet			54,468	70,406	24,265	27,911

- (i) The decrease in cash and cash equivalents as of 30 June 2022 was due mainly to an increase in working capital, payment of dividends to shareholders, and transfer of cash to structured deposits
- (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-22	31-Dec-21	30-Jun-22	31-Dec-21
		S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, on demand					
Finance lease - secured		-	-	-	-
Lease liabilities		4,832	4,620	34	55
Total lease liabilities		4,832	4,620	34	55
Bank loan - secured	(iii)	394	404	-	-
		5,226	5,024	34	55
Amount repayable after one year					
Lease liabilities		15,361	18,169	44	44
Bank loan - secured	(iii)	493	707	-	-
		15,854	18,876	44	44
Total		21,080	23,900	78	99

Details of any collateral

(iii) The THB22.5 million (S\$0.9 million) bank loan was secured against the Thailand Factory.

6. Significant items and major variances explanations relating to:**6.1 (Loss)/profit before Tax**

	Note	6 Months Ended	
		30-Jun	
		2022	2021
		S\$'000	S\$'000
(a) Major items included in cost of sales are :			
- Inventories recognised as an expense in cost of sales	6.1(d)	(39,191)	(35,444)
- Provision for inventory obsolescence		(96)	(50)
- Depreciation of property, plant and equipment ("PPE")		(2,052)	(1,926)
- Depreciation of right-of-use assets		(2,141)	(2,098)
- Wages and salaries	6.1(e)	(16,377)	(15,968)
(b) Major items included in administrative expenses are :			
- Depreciation of PPE		(780)	(842)
- Amortisation of intangible assets		(103)	(79)
- Depreciation of right-of-use assets		(597)	(435)
- Rental expense		(111)	(94)
- Wages and salaries		(7,295)	(6,445)
(c) Major items included in other expenses and other income are :			
- Items related to Investment Portfolio			
Fair value("FV") (loss)/gain for equities		(3)	425
FV (loss)/gain for Bonds (through other comprehensive income) *		(442)	30
Net loss on disposal of other investments		(13)	(5)
Dividend income from other investment		164	106
Interest income from investment bonds		229	232
Total (loss)/gain for Investment Portfolio		(65)	788
* FV loss/(gain) of debt instruments through other comprehensive income		442	(30)
Gain/(loss) for Investment Portfolio through Income Statement		377	758
- Foreign currency loss gain/(loss)	6.1(f)	421	(64)
- Property rental income		1,438	1,396

- (d) Costs of raw materials in proportion to total sales increased as compared to 1H'21 mainly due to significant increases in prices of steel and aluminum, when compared year-on-year.
- (e) Labor costs increased due to: 1) increase in Minimum Wage and Social Security Contribution Rates in China (since 2H'21); 2) increase in staff costs for the newly established factory in Vietnam.
- (f) Lower exchange loss in 1H'22 compared to 1H'21 mainly due to foreign exchange fluctuation, especially the US dollar appreciates against the Chinese yuan.

7. Taxation

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

:

GROUP	6 Months Ended 30-Jun	
	2022	2021
	S\$'000	S\$'000
Current income tax (expense)/credit	(23)	1,330
Deferred income tax credit	-	643
Total tax (expense)/credit	(23)	1,973

8. Dividend paid

GROUP	6 Months Ended 30-Jun	
	2022	2021
	Ordinary dividends paid (S\$'000)	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	
	2022	2021
	(i) Based on the weighted average number of shares (in cents)	
Earnings per share	<u>(0.72)</u>	<u>3.17</u>
Weighted average number of shares ('000)	<u>228,240</u>	<u>228,173</u>
(ii) On a fully diluted basis (in cents)		
Earnings per share	<u>(0.72)</u>	<u>3.12</u>
Adjusted weighted average number of shares ('000)	<u>232,083</u>	<u>231,866</u>

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-22	As at 31-Dec-21	As at 30-Jun-22	As at 31-Dec-21
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	78.8 cents	83.2 cents	39.2 cents	41.5 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 half-year ended 30 June 2022 (1H'22)

Turnover (1H'22 vs 1H'21)

The Group's revenue for the first six months ended 30 June 2022 ("1H'22") increased by S\$0.1 million or 0.2% to S\$84.4 million from S\$84.3 million a year ago, mainly due to:

- (1) Improved performance in the Office Automation ("OA") products; despite COVID-related lockdowns in Shanghai disrupting operations at the Group's factory in Suzhou, turnover increased on the back of higher end-customer demand, while the segment's assembly business gained momentum.
- (2) Revenue contribution from Auto products decreased, as the lockdowns imposed in China impacted customers' customer demand during the second quarter of 2022, erasing earlier gains in the first quarter of 2022. The vehicle market with China's VI emission standards was not on schedule, and affecting the segment's growth. The Group has established partnerships with existing EV component manufacturers as a strategic supplier.
- (3) TV & Display decreased as the key customer's factories in the Shanghai area were hit hard by the Zero-COVID restrictions, leading to a sharp drop in sales in the second quarter of 2022. The decrease was partially offset by a higher revenue contribution from the Group's facility in Bac Ninh Province, Vietnam. The TV Group secured new projects for screen display and heatsinks.

The decrease was also partially offset by:

- (4) Revenue contributions from new projects secured from customers involved in medical devices, 5G servers, gaming machines, etc. Mass production of these products commenced at beginning of 2022.

Net Profit (1H'22 vs 1H'21)

The Group reported S\$1.7 million net loss in the first six months ended June 2022 ("1H'22"), compared to the S\$7.2 million net profit a year ago. This is mainly due to:

- (1) Mansfield's reported net loss of S\$1.3 million for 1H'22 compared to the net profit of S\$6.4 million a year ago, for the following reasons: -
 - a) Lower gross profit, which declined by 34.8% to S\$11.6 million in 1H'22 from S\$17.7 million in 1H'21. This was mainly due to: -
 - i) Decline in sales for the Group's Auto and TV products;
 - ii) Sustained increase in the price of raw materials such as steel and aluminum;
 - iii) Rapidly rising labor costs in China which has increased operating costs and squeezed profit margin;
 - iv) The COVID-19 pandemic affected productivity and increased production costs; and
 - v) Lower margins for newly-launched products due to new technical requirements resulting in higher scrap and rework rates.
 - (2) Lower profit from investment portfolio; profit stood at S\$0.3 million for 1H'22, compared to S\$0.7 million a year ago.
 - (3) Administrative expenses increased year-on-year, mainly due to higher staff costs and start-up costs for a newly established facility in Vietnam.
 - a) The Group recorded an exchange gain due to the appreciation of the US dollar against the RMB.
 - b) As the financial results in 1H'22 was negative, no income tax accrual is required. In 1H'21, the Group's subsidiary received preferential tax rebates for New and High-Tech enterprises status and tax relief for eligible R&D expenditures.

3. A forecast, or projected statement, has been previously disclosed to shareholders, 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 Russia-Ukraine conflict continues to drive up raw materials prices, while the Zero-COVID policy imposed within China due to the pandemic have disrupted business operations. Both factors, which contributed to the loss in 1H'22 are expected to ease in the second half of 2022.

China's GDP grew 0.4% in the second quarter of 2022, and 2.5% in 1H'22, according to the Chinese government. The International Monetary Fund ("IMF") has lowered China's growth to 3.3% from 4.8%. Economists have cited China's Zero-COVID policy as a major factor for the slowdown, which has already impacted consumer demand, in turn affecting demand for the Group's products.

The Group's Auto business is expected to recover strongly from earlier disruptions, as many projects resume production, supported also by the Chinese Government's stimulus measures. China's light vehicle output in 2022 is expected to increase by 1.66% compared to 2021.

Electric vehicle ("EV") sales during 1H'2022 increased 94% year-on-year to 1.7 million units, according to IHS Markit Automotive. The Group will leverage our track record in steel stamping for EV to build a strong pipeline of projects.

The OA products are expected to recover gradually over the short term. Long-term growth could be affected as customers relocate production lines out of China to Southeast Asia. In response, the Group has expanded its business into Southeast Asia and moved up the value chain into sub-assembly.

As Zero-COVID policy-related restrictions are lifted, orders and shipments for TV/Display are expected to recover progressively. The Group is confident that key customers will maintain their market position for large-sized high-end TVs, ensuring demand for our products. The Group will focus on enhancing our products and implementing cost savings to maintain competitiveness.

The Group has made significant progress in diversifying into new industries such as medical devices, servers, gaming machines, and semiconductors. The Group is forging long-term partnerships with such customers to grow new revenue streams.

Meanwhile, the Group's facility in Bac Ninh Province, Vietnam, has completed the construction of its new plant in early 2022, and mass production has commenced of specially designed heatsinks and expects to secure TV bezel orders within the year. The Group's facility in Rayong, Thailand, has also received orders for OA and Auto products and increasing production steadily. Internal resources are being integrated to strengthen the facility.

In response to the headwinds ahead, the Group will continue to improve QCDS ("quality, cost, delivery, and service") and implement cost control measures to remain competitive. InnoTek will focus its efforts to invest in EVs and other emerging industries to ensure the sustainable development of the Group.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the present financial period? No, it has not been the Company's practice to declare interim dividends.

(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 2022

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 KangJie Mould Plastic 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%	129,226	N/A
Wuhan Grand Mould Plastic Co. Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	458,786	N/A
All Brilliant Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 62.5%	3,503	NA
Anhui KM Technology	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	10,120	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 announcement on full-year results)**

The directors 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 2022 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

Name	Age	Family relationship with any director, CEO, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Okura Ippei	68	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
13 August 2022

