

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 and full year ended 31 December 2022

Group	Note	2nd Half Year Ended 31-Dec		Change %	12 Months Ended 31-Dec		Change %
		2022 S\$'000	2021 S\$'000		2022 S\$'000	2021 S\$'000	
Revenue		102,314	89,279	14.6	186,755	173,580	7.6
Cost of sales	1(e)6.1(a)	(86,683)	(73,324)	18.2	(159,565)	(139,893)	14.1
Gross profit		15,631	15,955	(2.0)	27,190	33,687	(19.3)
Other items of expense							
Selling and distribution		(2,046)	(1,827)	12.0	(3,686)	(3,823)	(3.6)
Administrative expenses	1(e)6.1(b)	(12,068)	(11,703)	3.1	(24,866)	(23,478)	5.9
Finance costs		(1,054)	(1,084)	(2.8)	(2,236)	(2,222)	0.6
Other expenses	1(e)6.1(c)	(113)	(425)	(73.4)	(113)	(442)	(74.4)
Share of results of joint venture		(64)	(20)	220.0	(215)	(198)	8.6
Total other items of expense		(15,345)	(15,059)	1.9	(31,116)	(30,163)	3.2
Other items of income							
Interest income		551	583	(5.5)	952	1,090	(12.7)
Other income	1(e)6.1(c)	3,176	2,731	16.3	5,342	4,860	9.9
Total other items of income		3,727	3,314	12.5	6,294	5,950	5.8
Profit before tax		4,013	4,210	(4.7)	2,368	9,474	(75.0)
Income tax (expense)/credit	1(e)7	(91)	62	NM	(114)	2,035	NM
Profit for the period attributable to owners of the Company		3,922	4,272	(8.2)	2,254	11,509	(80.4)
Other comprehensive income :							
Items that may be classified subsequently to profit or loss							
- Foreign currency translation		(9,335)	2,138	NM	(11,588)	4,635	NM
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")		(295)	(131)	125.2	(737)	(101)	629.7
Other comprehensive income for the period , net of tax		(9,630)	2,007	NM	(12,325)	4,534	NM
Total comprehensive income for the period attributable to owners of the Company		(5,708)	6,279	NM	(10,071)	16,043	NM
Earnings per share attributable to owners of the Company (cents per share)							
Basic	Note 9.1	1.70	1.87	(9.1)	0.98	5.04	(80.6)
Diluted	Note 9.1	1.70	1.84	(7.6)	0.98	4.96	(80.2)
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 31-Dec-22 S\$'000	As at 31-Dec-21 S\$'000	As at 31-Dec-22 S\$'000	As at 31-Dec-21 S\$'000
Non-current Assets					
Property, plant and equipment		31,132	33,130	-	-
Investment properties		26,859	28,976	-	-
Intangible assets		473	488	-	-
Investment in subsidiary		-	-	57,061	47,061
Investment in joint venture		1,146	1,521	-	-
Right-of-use assets		18,547	22,947	54	98
Other receivables		1,224	1,615	-	-
Deferred tax assets		1,726	1,690	-	-
		81,107	90,367	57,115	47,159
Current Assets					
Inventories		41,771	35,709	-	-
Trade and other receivables		54,258	46,863	3,176	69
Income tax receivable		283	295	-	-
Contract assets		616	806	-	-
Prepayments		2,888	2,297	42	43
Other investments	1(e)(5)(A)(i)	18,482	20,297	18,482	20,297
Cash and short-term deposits	1(e)(5)(A)(ii)	58,978	70,406	19,061	27,911
		177,276	176,673	40,761	48,320
Total Assets		258,383	267,040	97,876	95,479
Current Liabilities					
Lease liabilities	1(e)(5)(B)	4,738	4,620	45	55
Trade and other payables		54,418	46,561	499	495
Contract liabilities		3,519	1,751	-	-
Provisions		5	5	-	-
Loans and borrowings		-	404	-	-
Income tax payable		2,080	2,163	55	40
		64,760	55,504	599	590
Net Current Assets		112,516	121,169	40,162	47,730
Non-current Liabilities					
Provisions		437	491	-	-
Lease liabilities	1(e)(5)(B)	14,263	18,169	10	44
Loans and borrowings	1(e)(5)(B)	-	707	-	-
Deferred tax liabilities		2,220	2,326	45	45
		16,920	21,693	55	89
Total Liabilities		81,680	77,197	654	679
Net Assets		176,703	189,843	97,222	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		88,146	90,558	9,177	7,575
Other reserves		(609)	11,850	(1,121)	(210)
Total Equity		176,703	189,843	97,222	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	12 Months Ended	
		2022	2021
		SS\$'000	SS\$'000
Operating activities :			
Profit before tax		2,368	9,474
Adjustments for:			
Depreciation of property, plant and equipment		5,449	5,691
Amortisation of intangible assets		202	172
Depreciation of right-of-use assets		5,423	5,137
Net gain on disposal of PPE and intangible assets		(21)	(91)
Net loss/(gain) on disposal of other investments		36	(54)
Allowance for doubtful debts written back		37	-
Net fair value gain on investment securities		20	(377)
Interest expense		2,236	2,222
Interest income		(952)	(1,090)
Allowance for inventory obsolescence		321	85
Exchange differences (gain)/loss		(4,403)	1,782
Fair value gain on investment properties		(493)	(792)
Share of results of joint venture		215	198
Share-based payment		508	51
Reversal for severance benefits and restructuring expenses		(10)	(3)
Dividend income from other investments		(308)	(226)
Total adjustment items		<u>8,260</u>	<u>12,705</u>
Operating cash flows before changes in working capital		10,628	22,179
<u>Changes in working capital</u>			
(Increase)/decrease in trade and other receivables and contract assets		(6,843)	15,115
Increase in inventories		(6,339)	(13,047)
Increase in prepayments		(155)	(465)
Increase/(decrease) in trade and other payables and contract liabilities		9,625	(6,828)
		<u>(3,712)</u>	<u>(5,225)</u>
Cash flow from operations		6,916	16,954
Interest paid		(2,236)	(2,222)
Interest received		981	1,136
Income taxes paid		(66)	(3,544)
		<u>(1,321)</u>	<u>(4,630)</u>
Net cash generated from operating activities		<u>5,595</u>	<u>12,324</u>

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) – Cont'd

GROUP	Note	12 Months Ended	
		2022	2021
		S\$'000	S\$'000
Net cash generated from operating activities		<u>5,595</u>	<u>12,324</u>
Investing activities :			
Purchase of property, plant and equipment ("PPE")		(6,414)	(6,862)
(Increase)/deposit /refunded for PPE		(435)	727
Proceeds from disposal of PPE		106	201
Additions to intangible assets		(136)	(326)
Proceeds from disposal of other investments		6,493	4,948
Purchase of other investments		(5,496)	(6,452)
Dividend from other investments		303	226
(Increase)/decrease in bank balance under portfolio investment management		(1,528)	1,019
Increase in structured deposit		-	21
Net cash flows used in investing activities		<u>(7,107)</u>	<u>(6,498)</u>
Financing activities :			
Proceeds from exercise of share options		1,050	370
Repayment of bank loans		(1,136)	(433)
Repayment of principal portion of lease liabilities		(4,501)	(4,146)
Dividend paid on ordinary shares by the company		(4,626)	(4,566)
Net cash used in financing activities		<u>(9,213)</u>	<u>(8,775)</u>
Net change in cash and cash equivalents		<u>(10,725)</u>	<u>(2,949)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(2,231)</u>	<u>1,100</u>
Cash and cash equivalents as at beginning of period		<u>69,762</u>	<u>71,611</u>
Cash and cash equivalents as at end of period	5(A)(ii)	<u>56,806</u>	<u>69,762</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									
		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
Profit for January-December 2022	2,254	-	-	2,254	-	-	-	-	-	-	-
<u>Other Comprehensive Income</u>											
- Foreign currency translation	(11,588)	-	-	-	-	(11,588)	-	-	-	-	(11,588)
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(737)	-	-	-	-	-	-	(737)	-	-	(737)
Other comprehensive income	(12,325)	-	-	-	-	(11,588)	-	(737)	-	-	(12,325)
Total comprehensive Income	(10,071)	-	-	2,254	-	(11,588)	-	(737)	-	-	(12,325)
<u>Contribution by and distribution to owners</u>											
- Grant of equity-settled share options to employees	507	-	-	-	507	-	-	-	-	-	507
- Treasury shares issued pursuant to employee share option plan	1,050	-	1,731	-	(366)	-	-	-	-	(315)	(681)
- 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	(3,069)	-	1,731	(4,626)	141	-	-	-	-	(315)	(174)
<u>Others</u>											
- Transfer to statutory reserve (Note (i))	-	-	-	(40)	-	-	40	-	-	-	40
Balance at 31 December 2022	176,703	98,021	(8,855)	88,146	1,228	(8,686)	6,648	(643)	2,550	(1,706)	(609)
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-December 2021	11,509	-	-	11,509	-	-	-	-	-	-	-
<u>Other Comprehensive Income</u>											
- Foreign currency translation	4,635	-	-	-	-	4,635	-	-	-	-	4,635
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(101)	-	-	-	-	-	-	(101)	-	-	(101)
Other comprehensive income	4,534	-	-	-	-	4,635	-	(101)	-	-	4,534
Total comprehensive Income	16,043	-	-	11,509	-	4,635	-	(101)	-	-	4,534
<u>Contribution by and distribution to owners</u>											
- Grant of equity-settled share options to employees	51	-	-	-	51	-	-	-	-	-	51
- Treasury shares issued pursuant to employee share option plan	370	-	1,153	-	(156)	-	-	-	-	(627)	(783)
- 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	(4,145)	-	1,153	(4,566)	(105)	-	-	-	-	(627)	(732)
<u>Others</u>											
- Transfer to statutory reserve (Note (i))	-	-	-	(611)	-	-	611	-	-	-	611
Balance at 31 December 2021	189,843	98,021	(10,586)	90,558	1,087	2,902	6,608	94	2,550	(1,391)	11,850

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)
Profit for January-December 2022	6,228	-	-	6,228	-	-	-	-
Other Comprehensive Income								
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(737)	-	-	-	-	(737)	-	(737)
Other comprehensive income	(737)	-	-	-	-	(737)	-	(737)
Total comprehensive income	5,491	-	-	6,228	-	(737)	-	(737)
Contribution by and distribution to owners								
- Grant of equity-settled share options to employees	507	-	-	-	507	-	-	507
- Treasury shares issued pursuant to employee share option plan	1,050	-	1,731	-	(366)	-	(315)	(681)
- 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	(3,069)	-	1,731	(4,626)	141	-	(315)	(174)
Balance at 31 December 2022	97,222	98,021	(8,855)	9,177	1,228	(643)	(1,706)	(1,121)
2021								
Balance at 1 January 2021	91,673	98,021	(11,739)	4,768	1,192	195	(764)	623
Profit for January-December 2021	7,373	-	-	7,373	-	-	-	-
Other Comprehensive Income								
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(101)	-	-	-	-	(101)	-	(101)
Other comprehensive income	(101)	-	-	-	-	(101)	-	(101)
Total comprehensive income	7,272	-	-	7,373	-	(101)	-	(101)
Contribution by and distribution to owners								
- Treasury shares reissued pursuant to employee share option plan	370	-	1,153	-	(156)	-	(627)	(783)
- Grant of equity-settled share options to employees	51	-	-	-	51	-	-	51
- 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	(4,145)	-	1,153	(4,566)	(105)	-	(627)	(732)
Balance at 31 December 2021	94,800	98,021	(10,586)	7,575	1,087	94	(1,391)	(210)

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 31 December 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 31/12/2022	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
Cancelled on 21 June 2022	(300,000)	-
Options granted under the InnoTek Employees' Share Option Scheme II *	8,000,000	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 31 December 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 31/12/2022		As at 31/12/2021	
	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, cancellations, 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, cancellations, 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 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)

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Machining		Adjustments and eliminations		Total							
	2H'22	2H'21	2H'22	2H'21	2H'22	2H'21	2H'22	2H'21	2H'22	2H'21	2H'22	2H'21	2H'22	2H'21
Business Segments														
Revenue														
External customers	84,888	69,656	17,426	19,623	-	-	102,314	89,279	-	-	-	-	102,314	89,279
Inter-segment	45,788	30,316	19	(7,741)	(45,807)	(22,575)	-	-	-	-	-	-	-	-
Total Revenue	130,676	99,972	17,445	11,882	(45,807)	(22,575)	102,314	89,279	-	-	-	-	102,314	89,279
Results														
External interest income	128	354	2	8	-	-	130	362	421	221	-	-	551	583
Depreciation and amortisation	(3,648)	(3,795)	(1,731)	(1,795)	-	-	(5,379)	(5,590)	(21)	(30)	-	-	(5,400)	(5,620)
Net Fair value gain on investment property	171	343	323	449	-	-	494	792	-	-	-	-	494	792
Dividend income from other investments	-	-	-	-	-	-	-	-	144	120	-	-	144	120
Gain/(loss) on disposal of PPE	71	189	6	(98)	-	-	77	91	-	-	-	-	77	91
Foreign currency gain/(loss)	552	(477)	122	(7)	-	-	674	(484)	(78)	107	-	-	596	(377)
Rental income	531	614	785	825	-	-	1,316	1,439	-	-	-	-	1,316	1,439
Share of joint venture losses	(64)	(20)	-	-	-	-	(64)	(20)	-	-	-	-	(64)	(20)
Finance costs	(943)	(1,043)	(110)	(39)	-	-	(1,053)	(1,082)	(1)	(2)	-	-	(1,054)	(1,084)
Other non cash expenses	(53)	42	(323)	(128)	-	-	(376)	(86)	(40)	11	-	-	(416)	(75)
Inter-segment dividend income	-	-	-	-	-	-	-	-	6,954	6,980	(6,954)	(6,980)	-	-
Segment profit/(loss) before tax	4,766	1,237	(470)	3,341	-	-	4,296	4,578	6,671	6,612	(6,954)	(6,980)	4,013	4,210
Income tax credit/(expenses)	360	1,087	(429)	(933)	-	-	(69)	154	(22)	(92)	-	-	(91)	62
Assets														
Investment in joint venture	1,146	1,521	-	-	-	-	1,146	1,521	-	-	-	-	1,146	1,521
Additions to non-current assets	207	1,192	3,025	2,309	-	-	3,232	3,501	-	9	-	-	3,232	3,510
Segment assets	159,463	153,693	58,676	64,981	-	-	218,139	218,674	40,244	48,366	-	-	258,383	267,040
Liabilities	63,417	64,462	17,608	12,056	-	-	81,025	76,518	655	679	-	-	81,680	77,197

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							
	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21	12 Months Ended 31-Dec-22	31-Dec-21
Business Segments														
Revenue														
External customers	153,288	133,974	33,467	39,606	-	-	186,755	173,580	-	-	-	-	186,755	173,580
Inter-segment	81,089	55,145	40	52	(81,129)	(55,197)	-	-	-	-	-	-	-	-
Total Revenue	234,377	189,119	33,507	39,658	(81,129)	(55,197)	186,755	173,580	-	-	-	-	186,755	173,580
Results														
External interest income	255	604	4	17	-	-	259	621	693	469	-	-	952	1,090
Inter-segment interest income	-	-	-	-	-	-	-	-	12	-	-	-	12	-
Inter-segment interest expense	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	(7,432)	(7,433)	(3,597)	(3,512)	-	-	(11,029)	(10,945)	(44)	(55)	-	-	(11,073)	(11,000)
Net Fair value gain on investment property	171	343	323	449	-	-	494	792	-	-	-	-	494	792
Dividend income from other investments	-	-	-	-	-	-	-	-	308	226	-	-	308	226
Gain/(loss) on disposal of PPE	112	189	(91)	(98)	-	-	21	91	-	-	-	-	21	91
Foreign currency gain/(loss)	706	(772)	367	(23)	-	-	1,073	(795)	(56)	354	-	-	1,017	(441)
Reversal of impairment loss on PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	1,138	1,224	1,616	1,611	-	-	2,754	2,835	-	-	-	-	2,754	2,835
Share of joint venture losses	(215)	(198)	-	-	-	-	(215)	(198)	-	-	-	-	(215)	(198)
Finance costs	(2,001)	(2,135)	(233)	(84)	-	-	(2,234)	(2,219)	(2)	(3)	-	-	(2,236)	(2,222)
Other non cash expenses	(342)	(8)	(436)	(128)	-	-	(778)	(136)	(57)	431	-	-	(835)	295
Inter-segment dividend income	-	-	-	-	-	-	-	-	6,954	6,980	(6,954)	(6,980)	-	-
Segment profit/(loss) before tax	5,152	4,911	(2,103)	4,725	-	-	3,049	9,636	6,274	6,818	(6,954)	(6,980)	2,369	9,474
Income tax credit/(expenses)	360	1,087	(429)	397	-	-	(69)	1,484	(45)	551	-	-	(114)	2,035
Assets														
Investment in joint venture	1,146	1,521	-	-	-	-	1,146	1,521	-	-	-	-	1,146	1,521
Additions to non-current assets	3,121	4,866	3,864	2,309	-	-	6,985	7,175	-	9	-	-	6,985	7,184
Segment assets	159,463	153,693	58,676	64,981	-	-	218,139	218,674	40,244	48,366	-	-	258,383	267,040
Liabilities	63,417	64,462	17,608	12,056	-	-	81,025	76,518	655	679	-	-	81,680	77,197

4.2 Revenue and Non-current Assets

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

	Revenue		Non-current Assets	
	12 Months Ended		As at	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	S\$'000	S\$'000	S\$'000	S\$'000
Hong Kong / PRC	176,362	169,642	71,070	81,770
Thailand	7,321	3,936	4,295	4,584
Vietnam	3,072	2	3,961	2,225
Singapore	-	-	54	98
Total	186,755	173,580	79,380	88,677

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 first half year	84,441	84,301	NM
(b) Profit after tax before minority interest reported for first half year	(1,668)	7,237	(123.0)
(c) Sales reported for second half year	102,314	89,279	14.6
(d) Profit after tax before minority interest reported for second half year	3,922	4,272	(8.2)

5. Financial assets and financial liabilities

Note	Fair Value Hierarchy Level	Group		Company	
		As at 31-Dec-22	As at 31-Dec-21	As at 31-Dec-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	5,675	6,737	5,675	6,737
<u>At fair value through other comprehensive income ("FVOCL")</u>					
Debt securities (quoted)	1	12,807	13,560	12,807	13,560
		18,482	20,297	18,482	20,297
(ii) Cash and short-term deposit					
Cash and bank balance		41,184	44,563	1,267	2,068
Fixed deposits		15,622	25,199	15,622	25,199
Cash and cash equivalents per cashflow statements	(i)	56,806	69,762	16,889	27,267
Cash and bank balance under investment portfolio		2,172	644	2,172	644
Total Cash and short-term deposits per balance sheet		58,978	70,406	19,061	27,911

- (i) The decrease in cash and cash equivalents as of 31 December 2022 was due mainly to decrease operating cash flows generated and effect of exchange rate changes

(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
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, on demand					
Finance lease - secured		-	3	-	-
Lease liabilities		4,738	4,620	45	55
Total lease liabilities		4,738	4,623	45	55
Bank loan - secured	(iii)	-	404	-	-
		4,738	5,027	45	55
Amount repayable after one year					
Lease liabilities		14,263	18,169	10	44
Bank loan - secured	(iii)	-	707	-	-
		14,263	18,876	10	44
Total		19,001	23,903	55	99

Details of any collateral

(iii) The bank loan has been fully settled.

6. Significant items and major variances explanations relating to:**6.1 Profit before Tax**

	Note	2nd Half Year Ended		12 Months Ended	
		31-Dec		31-Dec	
		2022	2021	2022	2021
		S\$'000	S\$'000	S\$'000	S\$'000
Major items included in cost of sales are :					
- Inventories recognised as an expense in cost of sales	6.1(d)	(49,378)	(38,953)	(88,569)	(74,397)
- Provision for inventory obsolescence		(225)	(35)	(321)	(85)
- Depreciation of property, plant and equipment ("PPE")		(1,883)	(2,071)	(3,935)	(3,997)
- Depreciation of right-of-use assets		(2,149)	(2,143)	(4,290)	(4,241)
- Wages and salaries	6.1(e)	(17,965)	(16,371)	(34,342)	(32,339)
Major items included in administrative expenses are :					
- Depreciation of PPE		(729)	(852)	(1,514)	(1,694)
- Amortisation of intangible assets		(99)	(93)	(202)	(172)
- Depreciation of right-of-use assets		(540)	(461)	(1,132)	(896)
- Rental expense		(114)	(116)	(225)	(210)
- Wages and salaries		(6,648)	(6,125)	(13,943)	(12,570)
Major items included in other expenses and other income are :					
- Items related to Investment Portfolio					
Fair value("FV") (loss)/gain for equities		(16)	(47)	(20)	378
FV loss for Bonds (through other comprehensive income) *		(295)	(131)	(737)	(101)
Net (loss)/gain on disposal of other investments		(23)	59	(36)	54
Dividend income from other investment		144	120	308	226
Interest income from investment bonds		246	239	474	471
Total gain/(loss) for Investment Portfolio		56	240	(11)	1,028
* FV loss of debt instruments through other comprehensive income		295	131	737	101
Gain for Investment Portfolio through Income Statement		351	371	726	1,129
- Foreign currency gain/(loss)	6.1(f)	596	(377)	1,017	(441)
- Property rental income		1,316	1,439	2,754	2,835

- (a) Costs of raw materials in proportion to total sales were higher as compared to 2H'21, mainly due to the higher inventory costs carried forward from 1H'22, when steel and aluminium prices were at the peak.
- (b) Labor costs increased due to: 1) an increase in Minimum Wage and Social Security Contribution Rates in China (since 2H'21); 2) an increase in staff costs due to the commencing of mass production of the facility in Vietnam.
- (c) Exchange gain in 2H'22 as compared to the exchange loss in 2H'21 mainly due to foreign exchange rate fluctuation, especially the US Dollar appreciation against the Chinese Yuan.

7. Taxation

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

:

GROUP	2nd Half Year		12 Months Ended	
	31-Dec		31-Dec	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current income tax (expense)/credit	(440)	(358)	(463)	972
Deferred income tax credit	349	420	349	1,063
Total tax (expense)/credit	(91)	62	(114)	2,035

8. Dividend paid

GROUP	12 Months Ended	
	31-Dec	
	2022	2021
Ordinary dividends paid (S\$'000)	4,626	4,566
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 :	12 Months Ended	
	31-Dec	
	2022	2021
(i) Based on the weighted average number of shares (in cents)		
Earnings per share	0.98	5.04
Weighted average number of shares ('000)	230,762	228,240
(ii) On a fully diluted basis (in cents)		
Earnings per share	0.98	4.96
Adjusted weighted average number of shares ('000)	231,042	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 31-Dec-22	As at 31-Dec-21	As at 31-Dec-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	76.4 cents	83.2 cents	42.0 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 second half ended 31 December 2022 (2H'22)

Turnover (2H'22 vs 2H'21)

The Group's revenue for July to December 2022 ("2H'22") increased by S\$13.0 million or 14.6% to S\$102.3 million from S\$89.3 million a year ago, mainly due to:

- (1) Higher sales to major Office Automation (OA) customers in China and Thailand, driven by the easing of supply chain disruptions, as well as the market recovery. In addition, the Group's assembly business has improved, recording higher revenue contributions in the OA segment.
- (2) Improvement in the Auto business, boosted by stimulus policies implemented in China while Auto customers also increased orders to make up for lost production suffered during the zero-COVID lockdown in Shanghai. However, the Auto business grew at a slower rate compared to 2H'21, `.

The increase was also offset by:

- (3) A decline in the TV and Display segment, mainly due to dampened consumer sentiment amid the continued Russia-Ukraine conflict, high inflation in Europe and the US, and high inventory pressures faced by the European TV industry.
- (4) The Group saw slower-than-expected progress for other businesses, such as 5G servers, offset by improved performance in the gaming machine and medical device businesses.

Net Profit (2H'22 vs 2H'21)

The Group reported S\$3.9 million net profit for July to December 2022 ("2H'22"), compared to the S\$4.3 million net profit a year ago. This is mainly due to:

Favourable variance: -

- (1) Sales increased strongly in 2H'22, leading to higher capacity utilisation and productivity, with the precision stamping segment achieving steady growth.
- (2) The Group continued to strengthen cost control and quality management, especially within the precision machining segment, resulting in an improved yield rate and lower rework rate in 2H'22.
- (3) Lower raw material costs, as the Group begins to clear higher-priced inventory carried over from 1H'22.
- (4) Exchange gain of S\$0.6 million in 2H'22, compared to a loss of S\$0.4 million in 2H'21, as the US dollar appreciated against the Chinese Yuan during the period in review.

Offset by unfavourable variance: -

- (5) Lower operational efficiency of the Group's manufacturing facilities in China, as operations were disrupted by COVID-related policies in Q4'22.
- (6) High labour costs as some cities in China increased minimum wages and social security contribution bases.

(B) Review for the 12 months ended 31 December 2022 (12M'22)

Turnover (12M'22 vs 12M'21)

The Group's revenue for January to December 2022 ("12M'22") increased by S\$13.2 million or 7.6% to S\$186.8 million from S\$173.6 million a year ago, mainly due to:

- (1) Significant improvement in the OA business segment in 2H'22, driven by the strong growth in component assembly business and order recovery. Key customers have ramped up production as global shortage of semiconductor chips and other electronic components began to ease, despite OA manufacturers seeking diversity away from China to Southeast Asia.
- (2) Resilience within the Auto business, as revenue remained relatively stable compared to FY'21, despite the challenges posed by COVID-related restrictions in China in 1H'22. Orders from key customers increased as they stepped up production to make up for lost capacity, while consumption stimulus measures implemented by the Chinese government boosted demand. The increase was offset by weak market demand in Europe and the U.S. and poor market performance by Japanese carmakers.

In addition, the Group has seen higher revenue contributions from the sale of EV-related parts on the back of higher EV sales, as the Chinese government implemented policies to stimulate the sector. During the year, the Group established partnerships as a strategic supplier with existing EV component manufacturers.

- (3) Improved sales are driven by new projects secured in gaming machines, medical devices, servers, and other emerging industries.

The increase was offset by:

- (4) TV and display saw a significant decline in customer demand, mainly due to the prolonged Russia-Ukraine conflict, high inflation in Europe and the U.S., and high inventory pressures faced by the European TV industry. The decline was partially mitigated by the fresh contribution made by the Group's newly-established Vietnam company.

Net Profit (12M'22 vs 12M'21)

The Group reported S\$2.3 million net profit for January to December 2022 ("12M'22"), compared to the S\$11.5 million net profit a year ago. This is mainly due to:

Favourable variance: -

- (1) Higher revenue drove higher capacity utilisation and productivity, with the precision stamping segment achieving steady growth.
- (2) The Group continued to strengthen cost control and quality management, especially in the precision machining segment, significantly improving the yield and lowering rework rates in 2H'22.
- (3) Exchange gain of S\$1.0 million in FY'22, as opposed to an exchange loss of S\$0.4 million in FY'21, as the Group benefited from a strengthening US dollar

Offset by unfavourable variance: -

- (4) Elevated costs of raw materials compared to FY'21; however, the Group is seeing prices starting to decline in 2H'22.
- (5) Lower production efficiency of the Group's facilities in China, especially during 1H'22, amid COVID-related restrictions.
- (6) Increased labour costs as certain cities in China increase minimum wages and social security contribution bases.

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 revenue increased in 2H'22 and FY'22, reflecting business resilience in the face of challenges posed by the Russia-Ukraine war and COVID-19 measures in China.

With China lifting its "Dynamic Zero" COVID policy since January 2023, business momentum is largely expected to recover. The International Monetary Fund ("IMF") predicts the country's GDP to grow by 5.2% in 2023, compared to 3.0% in 2022. However, the Group remains vigilant about headwinds such as fluctuating export demand, soft domestic demand, further disruptions to the global supply chain due to the prolonged Russia-Ukraine war, and elevated levels of inflation.

The Group's Auto business is expected to continue its recovery uptrend, driven by pent-up demand from the COVID-related lockdowns in Shanghai; meanwhile, the Group intends to ride the growing adoption of Electric Vehicles ("EVs") to offer its precision stamping expertise and become a strategic partner for key EV customers.

On the OA front, the Group expects a near to medium-term slowdown, amid waning recovery and a shift in market demand from China into Southeast Asia. In response, the Group is actively moving up the value chain and expanding into parts assembly, compared to single-piece manufacturing. The Group's facilities in Rayong Thailand have steadily increased production of OA and Auto products and strengthened production capability with the support of the Group's internal resources.

In February 2023, the Group's wholly-owned subsidiary Mansfield Manufacturing Company Limited ("Mansfield") acquired a 70%-stake in a joint venture (JV) to manufacture metal structural components for financial equipment and OA products. Through the JV, the Group has enhanced its capabilities in Vietnam to meet growing demand from Japanese and Korean customers.

For the TV and Display segment, short-term demand is expected to be impacted by softer Europe and American markets. The Group remains confident its key customers will maintain market share in the high-end TV market and is focusing on improving technical capability, upgrading the Group's products, and

implementing cost-control measures to meet long-term demand. InnoTek's manufacturing facility in Bac Ninh, Vietnam, has commenced production of bespoke-design heatsinks for a TV customer; the facility will also start the production of TV bezels in the first quarter of 2023.

Meanwhile, the Group is diversifying into emerging industries, establishing partnerships with customers in the medical devices, 5G servers, and gaming machines industries. These partnerships are expected to bear fruit in the coming months and will drive improvements in financial performance from FY'23 onwards.

Overall, the Group will continue to improve Quality, Cost, Delivery, and Service ("QCDS"), and maintain cost control measures to remain competitive.

InnoTek will also diversify into other emerging industries such as EV-related parts, as well as strengthen its investment in Southeast Asia to achieve sustainable revenue growth.

5. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the present financial period? Yes

Names of dividend	Final One-Tier Tax Exempt Dividend
Dividend type	Cash
Dividend rate (cents per ordinary share)	2.0 cents
Tax Rate	NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Names of dividend	Final One-Tier Tax Exempt Dividend
Dividend type	Cash
Dividend rate (cents per ordinary share)	2.0 cents
Tax Rate	NIL

(c) Date payable

The date payable for the proposed final dividend is to be announced at the later date.

(d) Books closing date

The book closing date for the proposed final dividend is to be announced at a later date.

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

Dividend was declared for the present financial period.

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 12 months ended 31 December 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 Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		S\$	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%	201,725	N/A
Wuhan Grand Mould Plastic Co. Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	1,047,828	N/A
All Brilliant Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 62.5%	6,636	NA
Anhui KM Technology	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	1,367,321	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 twelve months ended 31 December 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	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
 28 February 2023