InnoTek Limited

(Company Registration No. 199508431Z)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL BY THE GROUP OF ALL OF ITS 70% INTEREST IN HUA YUAN SHENG INDUSTRIAL COMPANY LIMITED AND WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE SGX-ST LISTING MANUAL

1 INTRODUCTION

1.1 The Board of Directors (the "**Board**") of InnoTek Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the company's wholly-owned subsidiary, Mansfield Manufacturing Company Limited (the "**Vendor**"), has on 30 September 2025, entered into a sale and purchase agreement (the "**SPA**") with HuaYuanSheng Metal, Plastic and Electronic Limited ("**HYS**"), pursuant to which, the Vendor shall dispose of all of its 70% interest in Hua Yuan Sheng Industrial Company Limited ("**HYS VN**") (the "**Proposed Disposal**"). Pursuant to completion of the Proposed Disposal, HYS VN, which is currently a 70%-subsidiary of the Group, shall cease to be a subsidiary of the Group.

1.2 As the relative figure in respect of the Proposed Disposal under Rule 1006(b) of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") is a negative figure and the relative figures do not fall within the situations envisaged in paragraphs 4.3 and 4.4 of Practice Note 10.1 of the Listing Manual, the Proposed Disposal is classified as a major transaction for the purposes of Rule 1014 of the Listing Manual and would have been subject to the approval of the shareholders of the Company (the "**Shareholders**") unless such requirement is waived by the SGX-ST.

2 WAIVER FROM THE REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL

2.1 The Company had submitted an application to the SGX-ST for a waiver from the requirement to comply with Rule 1014(2) of the Listing Manual (the "**Waiver**"). On 29 September 2025, SGX-ST informed the Company that based on the Company's submissions and representations, SGX-ST had considered the following:

(a) the Proposed Disposal involves a non-core asset;

(b) shareholders collectively holding an interest of more than 50% of the total number of issued shares of the Company will provide irrevocable undertakings that they will vote in favour of the Proposed Disposal, if a general meeting of the Company were to be convened,

(the "**Exchange's Considerations**").

2.2 Accordingly, SGX-ST confirmed that it has no objection to the Waiver with regards to the compliance with Rule 1014(2) of the Listing Manual subject to the following conditions:

(a) the Company announcing the following, including as required under Rule 107 of the Listing Manual:

(i) the Waiver granted;

(ii) the reasons for seeking the Waiver;

(iii) the Exchange's Considerations;

(iv) the conditions upon which the Waiver is granted; and

(v) whether the Waiver conditions have been satisfied as at the date of the announcement. If the Waiver conditions have not been satisfied, the Company must make an announcement as and when the conditions have been satisfied;

(b) submission of a written confirmation from the Board that the Waiver does not contravene any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation);

(c) submission of a written confirmation from the Board and the Company announcing that there has been, and will be, no material change in the risk profile of the Company arising from the Proposed Disposal, including the bases for its opinion; and

(d) submission of irrevocable undertaking(s) from shareholder(s) who collectively have an interest of more than 50% of the total number of issued shares of the Company that they would vote in favour of the Proposed Disposal, if a general meeting of the Company were to be convened.

2.3 The conditions as required under Rule 107 of the Listing Manual are as follows:

(a) The SGX-ST may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the SGX-ST will not waive it.

(b) The SGX-ST may grant a waiver subject to such conditions, as it considers appropriate. If the SGX-ST waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective.

(c) Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as possible.

2.4 The Waiver will not be effective if any of the conditions have not been fulfilled.

2.5 The Company had sought the Waiver for the following reasons:

(a) The Board is of the opinion that there will be no material change in the risk profile of the Group as a result of the Proposed Disposal and the existing principal activities, will not be affected as HYS VN is not considered to be a material subsidiary or a core asset of the Group. HYS VN had initially been acquired in order to strengthen and diversify the Group's business and presence in Southeast Asia. However, HYS VN has been loss-making for the past two financial years, i.e. since the Group acquired the 70% interest in HYS VN, and is expected to continue making losses.

(b) HYS VN is a non-core asset of the Group as it is ancillary and neither critical nor essential to the principal business of the Group. The Group's principal core business comprises three reportable operating segments, namely (1) the precision components and tooling segment, (2) the precision machining segment and (3) the corporate and others segment. HYS VN is principally involved in the manufacturing of sheet metal processing parts for office automation and financial equipment, which the Group considers to be ancillary to its metal stamping business (which falls within the precision components and tooling segment). The Group had initially decided to acquire the 70% interest in HYS VN in order to value-add to the Group's core business under the precision components and tooling segment and to strengthen the Group's competitive edge. As such, HYS VN's business is not considered to be a principal business activity of the Group and merely supplements the Group's main business.

(c) The proceeds from the Proposed Disposal will be used for working capital purposes and to undertake new investment opportunities that may arise in future. The Group will be able to generate cash flow from the disposal of a non-core asset for operational use and the proposed disposal will not result in a change in the nature of the Group's business. Crucially, the Proposed Disposal would allow the Group to stop incurring losses arising from HYS VN's operations. Following the Proposed Disposal, the Group will continue to be engaged in all its core operating segments, being (a) the precision components and tooling segment, (b) the precision machining segment, and (c) the corporate and others segment.

(d) Whilst the relative figure computed under Rule 1006(b) of the Listing Manual is a negative figure due to the aggregate net loss of HYS VN amounting to S$747,000 as compared against the Group's relatively modest net profits of S$85,000 (as per the unaudited financial statements for the financial period ended 30 June 2025), it is noted that the relative figures computed under Rule 1006(a) and Rule 1006(c) of the Listing Manual, each amount to less than 1%.

(e) HYS VN is not a material subsidiary of the Group and the Proposed Disposal will not affect the Group's existing principal activities. The Proposed Disposal would allow the Company the opportunity to dispose of a loss-making asset and to focus its attention and resources on the core assets and profitable businesses of the Group. Accordingly, the Company is of the view that it is in the interest of the Company and its shareholders to proceed with the Proposed Disposal quickly and to avoid incurring the unnecessary costs and expenses in convening an extraordinary general meeting.

(f) Advantec Holding SA, Metchem Engineering SA, Comcraft International S.A and Mr Lou Yiliang, shareholders of the Company holding an aggregate of 51.89% of the shareholding interest in the Company, have indicated their support for the Proposed Disposal and have provided irrevocable undertakings that, in the event a waiver cannot be obtained and an

extraordinary general meeting is required to be convened, each of them shall, among other things, vote or procure the voting of, all of their shareholdings in the Company in favour of the Proposed Disposal.

(g) None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

2.6 The Company had submitted the written confirmation and undertakings to SGX-ST for paragraphs 2.2(b) to 2.2(d) above. Following the disclosures in this announcement, the Company has complied with the conditions described in paragraphs 2.2(a) to 2.2(d) above.

2.7 As the SGX-ST has granted the Waiver to the Company, the Company will not be convening an Extraordinary General Meeting to seek the approval of Shareholders for the Proposed Disposal.

3 INFORMATION RELATING TO THE PROPOSED DISPOSAL

3.1 Information on HYS and HYS VN

(a) HYS is a private company limited by shares incorporated in Hong Kong and is principally engaged in the business of metal stamping and sheet metal processing in Guangdong, China.

(b) On 27 February 2023, the Group announced that it had, via the Vendor, entered into a joint venture with HYS in respect of HYS VN, pursuant to the transfer of 70.0% of the chartered capital in HYS VN from HYS to the Vendor for a consideration of US$2,561,354 which took effect upon receipt of approval from the relevant governmental authority in Bac Giang Province, Vietnam.

(c) Since the commencement of business operations, the principal activities of HYS VN have been the manufacturing of metal stamping and sheet metal processing parts for office automation and financial equipment.

3.2 Rationale for the Proposed Disposal

(a) In the financial years ended 31 December 2023 and 31 December 2024, respectively, HYS VN incurred losses of approximately S$991,000 and S$1,016,000, respectively.

(b) As disclosed in the Company's unaudited condensed interim financial statements for the six months ended 30 June 2025, HYS VN was facing a decline in export orders. As at the date hereof, in view of HYS VN's current performance and challenging market conditions, the Company does not expect the business performance and financial position of HYS VN to see a significant turnaround. The Proposed Disposal will enable the Group to strengthen its balance sheet and improve its liquidity.

4 SALIENT TERMS OF THE SPA

4.1 Consideration

The aggregate consideration for the sale and purchase of HYS VN is US$500,000 (equivalent to approximately S$646,000) (the "**Consideration**"), which was arrived at based on the net tangible asset value of HYS VN based on the management accounts of HYS VN as at 31 July 2025 and after arm's length negotiations between the Vendor and HYS on a willing-buyer and willing-seller basis.

4.2 Conditions precedent

The completion of the Proposed Disposal ("**Completion**") under the SPA is subject to, *inter alia*, the obtainment of the relevant approval from the relevant governmental authority in Vietnam.

5 RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

5.1 Based on the Group's latest unaudited consolidated interim financial statements for six months ended 30 June 2025, the relative figures for the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual are as follows.

Rule 1006	Base	Relative figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	0.44%(1)
(b)	The net profit / (loss) attributable to the assets acquired or disposed of, compared with the group's net profits.	(879.06)%(2)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	0.69%(3)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.(4)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.(5)

Notes:

(1) Under Rule 1002(3)(a) of the Listing Manual, "net assets" means total assets less total liabilities. The net asset value of the Group's share in HYS VN is approximately S$717,000, and the Group's net asset value is S$164,092,000, based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2025.

(2) "Net profit" or "net loss" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. This is computed based on the aggregate net loss attributable to HYS VN of

S$747,000 as per the unaudited financial statements for HYS VN for the financial period ended 30 June 2025, and the Group's net profit of S$85,000 as per the unaudited financial statements for the financial period ended 30 June 2025.

(3) Computed based on the Consideration of US$500,000 (equivalent to approximately S$646,000) and the Company's market capitalisation of approximately S$94,210,000 as at 4 September 2025 (being the market day preceding the date of the waiver application letter submitted to the SGX-ST). The market capitalisation of the Company is determined by multiplying the shares in issue (being 229,779,628 shares, excluding treasury shares) by the weighted average price of S$0.41 of the Company's shares transacted on 4 September 2025 (being the market day preceding the date of the waiver application letter submitted to the SGX-ST).

(4) Rule 1006(d) of the Listing Manual is not applicable as the Company is not issuing equity securities as consideration.

(5) Rule 1006(e) of the Listing Manual is not applicable as the Company is not a mineral, oil and gas company.

As set out above, the Company had submitted an application to the SGX-ST for a waiver from the requirement to comply with Rule 1014(2) of the Listing Manual in accordance with the guidance provided in Practice Note 10.1 of the Listing Manual. SGX-ST has granted its approval, subject to the conditions stated in paragraph 2.2 above.

6 FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

6.1 The *pro forma* financial effects of the Proposed Disposal for the most recently completed financial year, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**") are set out below. These financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group following the completion of the Proposed Disposal.

6.2 Net tangible assets ("NTA") per share

Assuming the Proposed Disposal was completed on 31 December 2024, the *pro forma* financial effects of the Proposed Disposal on the consolidated NTA of the Group are as follows:

	Before the Proposed Disposal	**After the Proposed Disposal**
Consolidated NTA attributable to the shareholders[(1)] (S$)	176,229,000	173,822,000
Number of issued shares (excludes treasury shares)	231,305,428	231,305,428
Consolidated NTA per share attributable to the shareholders (Singapore cents)	75.76	75.15

Note:

(1) Being total tangible assets minus total liabilities.

6.3 Earnings per share ("EPS")

Assuming the Proposed Disposal was completed on 1 January 2024, being the beginning of the most recently completed financial year of the Group, the *pro forma* financial effects of the Proposed Disposal on the EPS of the Group are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit after tax attributable to the owners of the Company (S$)	5,797,000	4,397,000
Weighted average number of shares	231,305,428	231,305,428
EPS (Singapore cents)	2.51	1.90

6.4 **Share Capital**

The Proposed Disposal will not have any impact on the issued and paid-up share capital of the Company.

7 DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8 FURTHER ANNOUNCEMENT

The Company will make further announcements in relation to the Proposed Disposal as and when there are material developments.

9 RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts on the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10 MISCELLANEOUS

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

11 DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 12 Woodlands Square, #11-67, Woods Square, Singapore 737715.

By Order of the Board of
InnoTek Limited

Lou Yiliang
Chief Executive Officer
30 September 2025